

AFTER RECORDING RETURN TO:

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**LAKECLIFF ON LAKE TRAVIS
CONSOLIDATED, AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS,
AND RESTRICTIONS**

This document consolidates, amends and restates those certain Lakecliff on Lake Travis Section One Declaration of Covenants, Conditions, and Restrictions, recorded at Book 12339, Page 0558, Real Property Records of Travis County, Texas, as amended by that certain Assignment of Declarant's Rights and Amendment to Declaration, recorded at Document No. 2001200458, Real Property Records of Travis County, Texas, as amended by that certain Declaration of Covenants, Conditions and Restrictions for a Part of Lakecliff on Lake Travis and Third Amendment to Travis Lakeside Restrictive Covenants and Permitted Exceptions, recorded at Document No. 2000202391, Real Property Records of Travis County, Texas, as amended by that certain Lakecliff on Lake Travis Section One Amended Declaration of Covenants, Conditions, and Restrictions, recorded at Book 12358, Page 1034, Real Property Records of Travis County, Texas, as amended by that certain First Amendment to the Declaration of Covenants, Conditions and Restrictions for a Part of Lakecliff on Lake Travis and Fourth Amendment to Travis Lakeside Restrictive Covenants and Permitted Exceptions, recorded at

Document No. 2003152408, Real Property Records of Travis County, Texas, as amended by that certain Lakecliff on Lake Travis Section One Amended Declaration of Covenants, Conditions, and Restrictions, recorded at Document No. 2004056246, Real Property Records of Travis County, Texas, as supplemented by that certain Partial Waiver and Termination of Restrictive Covenants, recorded at Document No. 2006027606, Real Property Records of Travis County, Texas, as supplemented by that certain Correction to Covenants, Conditions and Restrictions, recorded at Document No. 2008027892, Real Property Records of Travis County, Texas; as supplemented by that certain Correction to Covenants, Conditions and Restrictions, recorded at Document No. 2008036523, Real Property Records of Travis County, Texas, as amended by that certain Assignment of Declarant's Rights and Amendment to Declaration, recorded at Document No. 2012078352, Real Property Records of Travis County, Texas, as supplemented by that certain Statutory-Based Rules and Regulations for Lakecliff on Lake Travis Property Owners Association, recorded at Document No. 2015076151 of the Real Property Records of Travis County, Texas, as amended by that certain Lakecliff on Lake Travis Second Amendment to Declaration of Covenants, Conditions and Restrictions, recorded at Document No. 2017110444, Real Property Records of Travis County, Texas, as amended by that certain Third Amendment to Declaration of Covenants, Conditions and Restrictions, recorded at Document No. 2017204773, Real Property Records of Travis County, Texas, as supplemented by that certain Lakecliff on Lake Travis Supplemental Declaration of Covenants, Conditions, and Restrictions, recorded at Book 12376, Page 0901, Real Property Records of Travis County, Texas, as supplemented by that certain Lakecliff on Lake Travis Supplemental Declaration of Covenants, Conditions, and Restrictions (Section Three), recorded at Book 12716, Page 0744, Real Property Records of Travis County, Texas, as supplemented by that certain Lakecliff on Lake Travis Supplemental Declaration of Covenants, Conditions, and Restrictions, recorded at Book 13331, Page 0001, Real Property Records of Travis County, Texas, as supplemented by that certain Ratification and Adoption of Declaration of Covenants, Conditions, and Restrictions for Lakecliff on Lake Travis Section Six, recorded at Document No. 2000176161, Real Property Records of Travis County, Texas, as supplemented by that certain Ratification and Adoption of Declaration of Covenants, Conditions, and Restrictions for Lakecliff on Lake Travis Section Seven, recorded at Document No. 2001184791, Real Property Records of Travis County, Texas, as supplemented by that certain Ratification and Adoption of Declaration of Covenants, Conditions, and Restrictions for Lakecliff on Lake Travis Section Eight, recorded at Document No. 2001184803, Real Property Records of Travis County, Texas, as supplemented by that certain Ratification and Adoption of Declaration of Covenants, Conditions, and Restrictions for Lakecliff on Lake Travis Section Nine, recorded at Document No. 2001184800, Real Property Records of Travis County, Texas; as supplemented by that certain Ratification and Adoption of Declaration of Covenants, Conditions, and Restrictions for Lakecliff on Lake Travis Section Ten, recorded at Document No. 2001184786, Real Property Records of Travis County, Texas, as supplemented by that certain Ratification and Adoption of Declaration of Covenants, Conditions, and Restrictions for Lakecliff on Lake Travis Section Eleven, recorded at Document No. 2001184794, Real Property Records of Travis County, Texas, as supplemented by that certain Supplemental Declaration of Covenants, Conditions and Restrictions for Lakecliff on Lake Travis Section Eleven, recorded at Document No. 2002062297, Real Property Records of Travis County, Texas, as supplemented by that certain Supplemental Declaration of Covenants, Conditions and Restrictions for Lakecliff on Lake Travis Section Eleven, recorded at Document No. 2003123944, Real Property Records of Travis County, Texas, as supplemented by that certain Ratification and Adoption of Declaration of Covenants, Conditions, and Restrictions for Lakecliff on Lake Travis Section Twelve, recorded at Document No. 2001204498, Real Property Records of Travis County, Texas, and as supplemented by that certain Ratification and Adoption of Declaration of Covenants, Conditions, and Restrictions for Lakecliff on Lake Travis

Section Thirteen, recorded at Document No. 2001184789, Real Property Records of Travis County, Texas.

**LAKECLIFF ON LAKE TRAVIS
CONSOLIDATED, AMENDED AND RESTATED DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS**

STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Lakecliff on Lake Travis Section One, a subdivision in Travis County, Texas (“Lakecliff on Lake Travis Section One”) is subject to and governed by that certain Lakecliff on Lake Travis Section One Declaration of Covenants, Conditions, and Restrictions, recorded at Book 12339, Page 0558, Real Property Records of Travis County, Texas, as amended by that certain Assignment of Declarant’s Rights and Amendment to Declaration, recorded at Document No. 2001200458, Real Property Records of Travis County, Texas, as amended by that certain Declaration of Covenants, Conditions and Restrictions for a Part of Lakecliff on Lake Travis and Third Amendment to Travis Lakeside Restrictive Covenants and Permitted Exceptions, recorded at Document No. 2000202391, Real Property Records of Travis County, Texas, as amended by that certain Lakecliff on Lake Travis Section One Amended Declaration of Covenants, Conditions, and Restrictions, recorded at Book 12358, Page 1034, Real Property Records of Travis County, Texas, as amended by that certain First Amendment to the Declaration of Covenants, Conditions and Restrictions for a Part of Lakecliff on Lake Travis and Fourth Amendment to Travis Lakeside Restrictive Covenants and Permitted Exceptions, recorded at Document No. 2003152408, Real Property Records of Travis County, Texas, as amended by that certain Lakecliff on Lake Travis Section One Amended Declaration of Covenants, Conditions, and Restrictions, recorded at Document No. 2004056246, Real Property Records of Travis County, Texas, as supplemented by that certain Partial Waiver and Termination of Restrictive Covenants, recorded at Document No. 2006027606, Real Property Records of Travis County, Texas, as supplemented by that certain Correction to Covenants, Conditions and Restrictions, recorded at Document No. 2008027892, Real Property Records of Travis County, Texas, as supplemented by that certain Correction to Covenants, Conditions and Restrictions, recorded at Document No. 2008036523, Real Property Records of Travis County, Texas, as amended by that certain Assignment of Declarant’s Rights and Amendment to Declaration, recorded at Document No. 2012078352, Real Property Records of Travis County, Texas, as supplemented by that certain Statutory-Based Rules and Regulations for Lakecliff on Lake Travis Property Owners Association, recorded at Document No. 2015076151 of the Real Property Records of Travis County, Texas, as amended by that certain Lakecliff on Lake Travis Second Amendment to Declaration of Covenants, Conditions and Restrictions, recorded at Document No. 2017110444, Real Property Records of Travis County, Texas, and as amended by that certain Third Amendment to Declaration of Covenants, Conditions and Restrictions, recorded at Document No. 2017204773, Real Property Records of Travis County, Texas (collectively, the “Section One Declaration”).

WHEREAS, Lakecliff on Lake Travis Section Two, a subdivision in Travis County, Texas ("Lakecliff on Lake Travis Section Two") is subject to that certain Lakecliff on Lake Travis Supplemental Declaration of Covenants, Conditions, and Restrictions, recorded at Book 12376, Page 0901, Real Property Records of Travis County, Texas (the "Section Two Declaration") and governed by the Section One Declaration.

WHEREAS, Lakecliff on Lake Travis Section Three, a subdivision in Travis County, Texas ("Lakecliff on Lake Travis Section Three") is subject to that certain Lakecliff on Lake Travis Supplemental Declaration of Covenants, Conditions, and Restrictions (Section Three), recorded at Book 12716, Page 0744, Real Property Records of Travis County, Texas (the "Section Three Declaration") and governed by the Section One Declaration.

WHEREAS, Lakecliff on Lake Travis Section Five, a subdivision in Travis County, Texas ("Lakecliff on Lake Travis Section Five") is subject to that certain Lakecliff on Lake Travis Supplemental Declaration of Covenants, Conditions, and Restrictions, recorded at Book 13331, Page 0001, Real Property Records of Travis County, Texas (the "Section Five Declaration") and governed by the Section One Declaration.

WHEREAS, Lakecliff on Lake Travis Section Six, a subdivision in Travis County, Texas ("Lakecliff on Lake Travis Section Six") is subject to that certain Ratification and Adoption of Declaration of Covenants, Conditions, and Restrictions for Lakecliff on Lake Travis Section Six, recorded at Document No. 2000176161, Real Property Records of Travis County, Texas (the "Section Six Declaration") and governed by the Section One Declaration.

WHEREAS, Lakecliff on Lake Travis Section Seven, a subdivision in Travis County, Texas ("Lakecliff on Lake Travis Section Seven") is subject to that certain Ratification and Adoption of Declaration of Covenants, Conditions, and Restrictions for Lakecliff on Lake Travis Section Seven, recorded at Document No. 2001184791, Real Property Records of Travis County, Texas (the "Section Seven Declaration") and governed by the Section One Declaration.

WHEREAS, Lakecliff on Lake Travis Section Eight, a subdivision in Travis County, Texas ("Lakecliff on Lake Travis Section Eight") is subject to that certain Ratification and Adoption of Declaration of Covenants, Conditions, and Restrictions for Lakecliff on Lake Travis Section Eight, recorded at Document No. 2001184803, Real Property Records of Travis County, Texas (the "Section Eight Declaration") and governed by the Section One Declaration.

WHEREAS, Lakecliff on Lake Travis Section Nine, a subdivision in Travis County, Texas ("Lakecliff on Lake Travis Section Nine") is subject to that certain Ratification and Adoption of Declaration of Covenants, Conditions, and Restrictions for Lakecliff on Lake Travis Section Nine, recorded at Document No. 2001184800, Real Property Records of Travis County, Texas (the "Section Nine Declaration") and governed by the Section One Declaration.

WHEREAS, Lakecliff on Lake Travis Section Ten, a subdivision in Travis County, Texas ("Lakecliff on Lake Travis Section Ten") is subject to that certain Ratification and Adoption of Declaration of Covenants, Conditions, and Restrictions for Lakecliff on Lake Travis Section 10, recorded at Document No. 2001184786, Real Property Records of Travis County, Texas (the "Section Ten Declaration") and governed by the Section One Declaration.

WHEREAS, Lakecliff on Lake Travis Section Eleven, a subdivision in Travis County, Texas ("Lakecliff on Lake Travis Section Eleven") is subject to that certain Ratification and Adoption of Declaration of Covenants, Conditions, and Restrictions for Lakecliff on Lake Travis Section Eleven, recorded at Document No. 2001184794, Real Property Records of Travis County, Texas, as amended by that certain Supplemental Declaration of Covenants, Conditions and Restrictions for Lakecliff on Lake Travis Section Eleven, recorded at Document No. 2002062297, Real Property Records of Travis County, Texas, and as amended by that certain Supplemental Declaration of Covenants, Conditions and Restrictions for Lakecliff on Lake Travis Section Eleven, recorded at Document No. 2003123944, Real Property Records of Travis County, Texas (the "Section Eleven Declaration") and governed by the Section One Declaration.

WHEREAS, Lakecliff on Lake Travis Section Twelve, a subdivision in Travis County, Texas ("Lakecliff on Lake Travis Section Twelve") is subject to that certain Ratification and Adoption of Declaration of Covenants, Conditions, and Restrictions for Lakecliff on Lake Travis Section Twelve, recorded at Document No. 2001204498, Real Property Records of Travis County, Texas (the "Section Twelve Declaration"), and governed by the Section One Declaration.

WHEREAS, Lakecliff on Lake Travis Section Thirteen, a subdivision in Travis County, Texas ("Lakecliff on Lake Travis Section Thirteen") is subject to that certain Ratification and Adoption of Declaration of Covenants, Conditions, and Restrictions for Lakecliff on Lake Travis Section Thirteen, recorded at Document No. 2001184789, Real Property Records of Travis County, Texas (the "Section Thirteen Declaration") and governed by the Section One Declaration.

WHEREAS, the Section One Declaration, as supplemented by the Section Two Declaration, Section Three Declaration, Section Five Declaration, Section Six Declaration, Section Seven Declaration, Section Eight Declaration, Section Nine Declaration, Section Ten Declaration, Section Eleven Declaration, Section Twelve Declaration and Section Thirteen Declaration (collectively, the "Declaration"), governs all Lots located in those certain subdivisions located in Travis County, Texas, known as Lakecliff on Lake Travis Sections One, Two, Three, Five, Six, Seven, Eight, Nine, Ten, Eleven, Twelve, and Thirteen (collectively, the "Lakecliff Subdivision Property").

WHEREAS, The Declaration establishes Lakecliff on Lake Travis Property Owners Association (the "Association") as a property owners' association for the owners of the Lots within the Lakecliff Subdivision Property and makes the owners of the Lots mandatory members of such property owners' association; and, as such, the Association is subject to and governed by Chapter 209 of the Texas Property Code.

WHEREAS, Section 8.2 of the Declaration provides that the Declaration may be amended by an instrument in writing signed by members having not less than two-thirds (2/3) of the total votes in the Association.

WHEREAS, members of the Association desire to consolidate, amend and restate the Declaration governing the Lakecliff Subdivision Property into this single Lakecliff on Lake

Travis Consolidated, Amended and Restated Declaration of Covenants, Conditions and Restrictions (hereinafter referred to as the "Restated Declaration").

WHEREAS, in accordance with the foregoing requirements, members of the Association representing at least two-thirds (2/3) of the total votes allocated to members of the Association approved this Restated Declaration, which in effect consolidates, amends, replaces and supersedes the Declaration applicable to the Lakecliff Subdivision Property, at a meeting of the Association's membership conducted on _____, 2018.

NOW THEREFORE, it is hereby declared that:

1. The Section One Declaration, Section Two Declaration, Section Three Declaration, Section Five Declaration, Section Six Declaration, Section Seven Declaration, Section Eight Declaration, Section Nine Declaration, Section Ten Declaration, Section Eleven Declaration, Section Twelve Declaration and Section Thirteen Declaration are hereby amended in their entirety and entirely replaced by this Restated Declaration, and such Declarations shall have no further force or effect upon the Property; and

2. All of the Lakecliff Subdivision Property shall hereafter be held, sold, conveyed and occupied subject to the easements, restrictions, covenants and conditions declared below, which shall be deemed to be covenants running with the land and imposed on and intended to benefit and burden each Lot and other portions of the Lakecliff Subdivision Property in order to maintain within the Lakecliff Subdivision Property a planned community of high standards. Such covenants shall be binding on all parties having any right, title or interest therein or any part thereof, their respective heirs, personal representatives, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I. DEFINITIONS

As used in these Restrictions, the terms set forth below shall have the meanings indicated:

1. Additional Land – Such tracts or parcels of Land, other than the Land, made subject to these Restrictions by Declarant in accordance with Section 8.5 hereof.

2. Annual Maintenance Charge – the assessment made and levied by the Board against each Owner and his Lot in accordance with the provisions of these Restrictions.

3. Articles of Incorporation – the Articles of Incorporation of the Association.

4. Association – Lakecliff On Lake Travis Property Owners Association, a Texas nonprofit corporation, its successors and assigns.

5. Board or Board of Directors – the Board of Directors of the Association, whether such Board be appointed by Declarant or elected by the Association in accordance with the provisions of these Restrictions.

6. Bylaws – the Bylaws of the Association.

7. Commencement of Construction – the date on which foundation forms are set for a Unit.

8. Declarant – Lake Travis Properties, Inc., and its successors and assigns that have been designated as such by Declarant pursuant to a written instrument duly executed by Declarant and recorded in the Office of the County Clerk of Travis County, Texas. On November 28, 2001, Lake Travis Properties, Inc. subsequently assigned all Declarant rights, title and interest to Lakecliff on Lake Travis, L.P. via Document No. 2001200458 of the Real Property Records of Travis County, Texas. On May 16, 2012, Lake Travis Properties, L.P. subsequently assigned all Declarant rights, title and interest to Lakecliff on Lake Travis Property Owners Association via Document No. 2012078352 of the Real Property Records of Travis County, Texas.

9. Exterior Area – the portion of a Lot not covered by a Unit.

10. Land – that certain tract or parcel of land containing approximately 78.52 acres and situated in Travis County, Texas, such tract or parcel of land being the lands more particularly described on the Plats.

11. Lot or Lots – each of the lots shown by the Plat, exclusive of the roadways shown on the Plat.

12. Maintenance Fund – any accumulation of (i) the Annual Maintenance Charges collected by the Board in accordance with the provisions of these Restrictions for the continued maintenance, insuring, repair, and operation of, and the construction of improvements on, the Subdivision and (ii) interest, penalties, assessments, and other sums and revenues collected by the Board pursuant to these Restrictions.

13. Member or Members – a member or members of the Association, as more particularly described in Article 4.2 hereof.

14. Mortgage – a security interest, mortgage, deed of trust, or lien instrument granted by an Owner to secure the repayment of a loan made to Owner, duly recorded in the Office of the County Clerk of the county in which the Lot is located and creating a lien or security interest encumbering a Lot and all improvements thereon.

15. Owner or Owners – any person or persons, firm, corporation or other entity or any combination thereof that owns, of record, title to a Lot.

16. Plat or Plats – the map or maps, plat or plats, recorded in the Real Property Records of Travis County, Texas, as follows:

<u>Section</u>	<u>Book/Page/Instrument</u>
Lakecliff on Lake Travis Section One	94/116-119
Lakecliff on Lake Travis Section One Replat	95/69-70
Lakecliff on Lake Travis Section Two	2001184796
Lakecliff on Lake Travis Section Three	97/80-81
Lakecliff on Lake Travis Section Five	102/267-268
Lakecliff on Lake Travis Section Five Replat	200500186
Lakecliff on Lake Travis Section Six	200000343
Lakecliff on Lake Travis Section Seven	200100317
Lakecliff on Lake Travis Section Eight	200100316
Lakecliff on Lake Travis Section Nine	200100314
Lakecliff on Lake Travis Section Ten	200100313
Lakecliff on Lake Travis Section Ten Replat	201500195
Lakecliff on Lake Travis Section Eleven	200100315
Lakecliff on Lake Travis Section Twelve	200100324
Lakecliff on Lake Travis Section Thirteen	200100319

17. Plans – the final construction plans and specifications (including a related landscape, site, and grading plan) for any building or improvement of any kind erected, placed, constructed, maintained, or altered on any Lot.

18. Property – each of the Lots identified on the Plat.

19. Restrictions – the covenants, conditions, easements, reservations, and stipulations as set out in this instrument or any amendment thereto.

20. Subdivision – the Land, together with all improvements now or hereafter situated thereon and all rights and appurtenances thereto, subject to the Restrictions by Declarant.

21. Subdivision Fence – the decorative existing Kentucky style wood horse fence running along, adjacent to and/or across the Property or portions thereof.

22. Rules and Regulations – rules adopted from time to time by the Board concerning the management and administration of the Subdivision for the use, benefit and enjoyment of the Owners.

23. Unit – a single family residence and appurtenances constructed on a Lot.

24. Water System – the Lakecliff community water system, including all water well or wells, storage tanks, pressure tanks, and all underground distribution lines to each individual Lot.

25. Architectural Control Committee – shall mean the committee pursuant to Article 3 hereof. The Architectural Control Committee shall hereinafter sometimes be referred to as the “ACC” or the “committee”.

ARTICLE 2 GENERAL PROVISIONS RELATING TO USE AND OCCUPANCY

Notwithstanding anything contained herein to the contrary, the following Sections 2.1 through 2.6 and Section 3.7 do not apply to Lot One (1), Block A, and Lot One (1), Block C, of the previously identified Lakecliff on Lake Travis Section One (the “Exempt Lots”). Additional Exempt Lots and Property are identified in Appendix A.

The Exempt Lots may be used and occupied for any lawful commercial, business, residential, and recreational purposes, and construction of improvements thereon is not subject to any ACC consent or approval or other restrictions hereunder. As used in Section 2.1 through 2.6 and in Section 3.7 below, the term “Lot” or “Lots” shall not include the Exempt Lots.

Section 2.1 Use Restrictions. Each Owner shall use his Lot for single family residential purposes only. As used herein, the term “single family residential purposes” shall be deemed to prohibit specifically, but without limitation, the use of Lots for duplex apartments, garage apartments, or other apartment uses (except, however, the construction of servant’s quarters will be allowed); or for any business, professional, or other commercial activity of any type. No Owner shall use or permit such Owner’s Lot or Owner’s Unit to be used for any purpose that would (i) void any insurance in force with respect to the Subdivision; (ii) make it impossible to obtain any insurance required by these Restrictions; (iii) constitute a public or private nuisance, which determination may be made by the Board in its sole discretion; (iv) constitute a violation of the Restrictions, any applicable law, ordinance, rule, or regulation (including the rules and Regulations); or (v) unreasonably interfere with the use and occupancy of the Subdivision by the other Owners. Owners of Lots Three (3) through Twenty-Two (22) and Lots Twenty-Five (25) through Forty-Two (42) in previously identified Lakecliff in Lake Travis Section Eleven shall be permitted to contain Party Walls and separate Owners of each Party Wall shall be permitted to use their respective side of the Party Wall. Nothing herein shall be deemed to preclude short term rental of residences constructed on the Lots for residential vacation purposes, subject to any rules and regulations that may be adopted by the Board.

Section 2.2 Decoration, Maintenance, Alteration, and Repairs

(a) Subject to the provisions of Section 3.7, each Owner shall have the right to modify, alter, repair, decorate, redecorate or improve such Owner’s Unit or the Exterior Area of such Owner’s Lot, provided that all such action is performed in a good and workmanlike manner and in a manner that causes minimum inconvenience to other Owners and does not constitute a nuisance.

(b) Each Owner shall maintain his Lot and his improvements in good order and repair and in accordance with these covenants and restrictions at all time. If the requirements of this Section 2.2(b) are not satisfied, the ACC, at its election, may cause said maintenance, repair, and good order to be maintained, in which case the cost of same shall be billed by the ACC to the Owner of the subject Lot, and same shall be paid by said Owner. Any such charges shall be due immediately and shall be secured and bear interest in the same manner as provided in Article 5.7 for the Annual Maintenance Charges.

(c) The Association shall be responsible for the maintenance and repair of the streets and Water System and any designated common areas or amenities, whether now existing in the Subdivision or hereafter annexed pursuant to the provisions hereof.

Section 2.3 Certain Restrictions

(a) Unless otherwise approved in writing by the ACC, no building material of any kind or character shall be placed or stored upon any Lot more than thirty (30) days before the construction of a structure or improvements is commenced. All materials permitted to be placed on a Lot shall be placed within the property lines of the Lot. At the completion of such building or improvements, any unused materials shall be removed immediately from the Lot. After commencement of construction of any structure or improvements on the Lots, the work thereon shall be performed diligently, to the end that the structure or improvements shall not remain in a partly finished condition any longer than reasonably necessary for completion thereof. Unless otherwise approved in writing by the ACC, the exterior construction of any structure or improvement on a Lot shall be completed within three hundred sixty (360) days from date of Commencement of Construction, excepting delays due to strikes, war, acts of God or other similar causes beyond the control of the Owner.

(b) No structure of a temporary character, trailer (with or without wheels), mobile home (with or without wheels), or modular or prefabricated home, tent or shack, or any other out-building structure or building, other than the permanent residence along with guest house, studio, or other approved out-building structure or building to be built thereon, shall be placed on any Lot, either temporarily or permanently. Declarant shall have the right to use a residence situated on a Lot as an office or model home during the period of and in connection with construction, sale and resale operations in the Subdivision.

(c) Only new construction materials (except for used brick) shall be used in constructing any structure or improvements situated on a Lot. Unless otherwise approved in writing by the ACC, all Units situated on any Lot shall have not less than seventy-five percent (75%) masonry construction, or its equivalent (at the discretion of the ACC), or the exterior wall area; (four-foot by eight-foot (4' x 8') plywood siding is not allowed). All attached garage interiors must be sheetrocked and painted, but detached garages located one hundred sixty-five feet (165') or more from the front property line of a Lot are not required to have their interiors sheetrocked or painted. In determining whether any building has seventy-five percent (75%) masonry construction, or its equivalent, on the exterior wall area, there shall be excluded from

the exterior wall area measurements those portions or such exterior wall areas which are doors, windows and covered porch walls.

(d) The construction of covered driveways, porte-cocheres, and carports, that are designed as an integral architectural feature of the Unit will be allowed. No porte-cochere may be constructed over a building line or setback line unless otherwise approved in writing by the ACC. Any covered driveway, porte-cochere, or carport is subject to approval by the ACC.

(e) No window, roof, or wall type air conditioner or air conditioner compressor that is visible from any street shall be used, placed or maintained on or in any Unit.

(f) Prior to occupancy thereof and thereafter, all units must have shrubs or other landscaping painted adjacent to the front of all Units constructed thereon to screen from view the foundation of such Units, unless otherwise approved in writing by the ACC.

(g) Roofs of the Units shall be constructed only as follows: built-up flat roofs, concrete or ceramic tile, wood shake, wood shingle, or approved metal. If wood shingle is used, only "Number 1 Perfection" wood shingle shall be used, unless otherwise approved in writing by the ACC. If metal is used, the metal surface must have a dull finish upon installation, and must meet ACC approval as to type, color and finish. No composition shingles shall be allowed.

(h) No external antennae, satellite receiving dishes, or other structure designed or used for receiving any type of radio, television, or other communications signal shall be permitted on any Lots within the Subdivision unless such facility is either approved by the ACC or totally screened from view from all surrounding Lots, streets, and other adjacent areas; provided, however, that small antennas such as those provided by "Cable Max" shall be permitted.

(i) A landscape plan for each Unit must be approved in writing by the ACC, and landscaping, as required by paragraph 2.3(f) above shall be used to screen such exposed slab. Any slab in excess of two feet (2') in height above finished grade shall have at least that excess in height covered with siding or masonry used in constructing the Unit. Any Unit with a pier and beam foundation shall have all mechanical, electrical, plumbing lines and fixtures located thereunder screened from view from any public street and from adjacent Units. Any Unit with an elevated deck shall have its open space below such deck screened from public view and view from adjacent Units. The ACC in its sole discretion will determine the adequacy of any screening technique employed.

(j) All solar panels or other solar collection devices must be constructed as an integral part of the architectural design of any Unit and the design and installation thereof is subject to the approval of the ACC. The ACC may further approve solar panels or other solar collection devices to be added to any Unit if the same are totally screened from the view of any and all streets and adjacent properties in the Subdivision or if incorporated into the architectural design of the Unit.

(k) Except for signs, billboards, or other advertising devices displayed by Declarant or its appointees, for so long as Declarant, or any successors or assigns of Declarant to whom the rights of Declarant are expressly transferred, shall own any of the Lots, no sign of any kind shall be displayed to the public view on any Lot, including specifically, but without limitation, signs offering property or Lots for sale, rent or lease, political signs, signs advertising goods, wares or services for sale or rent, and construction company or repair company signs. Declarant or its agent shall have the right to remove any sign not complying with the provisions of this subsection.

(l) 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 Lots so as to result in an annoyance or disruption to the residents in the Subdivision. No noise or other nuisance shall be permitted to exist or operate upon any portion of the Lots so as to be offensive or detrimental to any other portion of the Subdivision or to its occupants.

(m) No animals, including pigs, horses, hogs, swine, poultry, fowl, wild animals, 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 in the Subdivision. No animal shall be allowed to make an unreasonable amount of noise, or to become a nuisance. No animal may be stabled, maintained, kept, cared for, or boarded for hire or remuneration in the Subdivision, and no kennels or breeding operation will be allowed. No animal shall be allowed to run at large, and all animals which are permitted hereunder 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 ACC and shall be of reasonable design and construction to adequately contain such animals.

(n) No driveways or roadways may be constructed on any Lot to provide any access to any adjoining Lot or other portion of the properties unless otherwise approved in writing by the ACC.

(o) Each Lot must be accessible to any adjoining street by a driveway suitable for such purposes before the residential structure located on any such Lot may be occupied or used. Materials and design for all driveways must be approved by ACC. No Owner may block any drainage ditch (including road ditches) or drainage gutters on curb or outer streets. Specifications for and construction of all drain tiles, culverts in or over any drainage ditch, or driveway transitions to be installed in connection with a driveway or otherwise, must be approved by the ACC. The ACC shall determine all elevation and slope requirements for all driveways.

(p) Each residence situated on a Lot shall be connected to the Water System. The Rules and Regulations shall provide general requirements for the elevation and connection to such utilities as the ACC may from time to time require.

(q) The Owners or occupants of all Lots shall at all times keep all weeds and grass thereon (not maintained by the Association) cut in a sanitary, healthful, and attractive manner and shall in no event use any Lot for storage of materials and equipment except for normal residential requirements or incident to construction of improvements thereon as herein permitted, or permit the accumulation of garbage, trash, or rubbish of any kind thereon and shall not burn anything (except by use of an incinerator and then only during such hours as permitted by law). Upon construction of a Unit, there shall be installed and continuously maintained and operated an automatic sprinkler system covering all areas of the Lot from the street to the front of the Unit. Each Owner shall maintain in such area a green grass lawn with not more than 10% rock or gravel. Sprinkler systems and grass selection must be approved by ACC as part of landscape plans.

(r) No articles deemed to be unsightly by the ACC 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), motorhomes, boats, boat trailers, 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 Subdivision shall have sufficient garage space, as approved by the ACC, to house all vehicles to be kept on the Lot. Lot Owners shall not keep more than two (2) automobiles in such manner as to be visible from any other Lot.

(s) Each unit shall have, either as an integral part of or attached to the Unit or as a separate detached structure, a garage capable of accommodating at least two (2) standard-size passenger automobiles, with the exception of Lots Three (3) through Twenty-Two (22) and Lots Twenty-Five (25) through Forty-Two (42) of previously identified Lakecliff on Lake Travis Section Eleven. Each garage and garage door must be approved by ACC. Each garage in the Subdivision shall be connected to the adjacent street by means of a driveway, said driveway to be constructed out of a surface specifically approved by the Board. All overhead doors shall be electrically operated and shall be kept closed when not in use. Automobiles shall be stored in garages when not in use. All garages must have garage doors are subject to approval by ACC in order to be harmonious in quality and color with the exterior of the appurtenant Unit. No front entry garages shall be permitted on any of the Lots.

(t) Moveable above-ground swimming pools are prohibited within the Subdivision, except for pools less than six feet (6') in diameter. All swimming pools must be contained within fenced enclosures.

(u) No trees with a circumference larger than twenty-eight inches (28") may be removed from any Lot or destroyed without the prior written consent of the ACC. For the purpose of determining the size of the trees, the circumference will be measured one foot above the average natural level of the ground at the base of the tree and the ACC ruling on the circumference of any tree is final and binding on all parties. No concrete, asphalt, or impervious cover of any kind shall be placed within the drip line of any tree twenty-eight inches (28") or larger in circumference without the prior written consent of the ACC. The drip line is defined as the line on the ground directly below the farthest extremities of the branches of the tree. The ACC's determination of the location of the drip line shall be final and binding on all parties. Parking area located within the drip line of any tree twenty-eight inches (28") or larger in circumference shall be constructed of a pervious or porous cover such as porous asphalt, grass, crete, or other similar material, unless the use of other materials is approved in writing by the ACC prior to construction.

(v) All exterior lighting on any lot must be approved by the ACC. The ACC reserves the right to remove any lighting not so approved.

(w) No Lot may be subdivided into smaller lots, except Lot 14 in previously identified Lakecliff on Lake Travis Section Six, which may be subdivided into three (3) separate Lots. The existing tram and boat dock on Lot 14 may remain and may be rebuilt or replaced as presently constructed.

(x) As to Lots previously identified as Lakecliff on Lake Travis Section Six, Section Eight, Section Nine, Section Twelve (Lots 9-22) and Section Thirteen (Lots 1, 15-18), a licensed architect must design plans for all residences and the Declarant must approve the architect.

Section 2.4 Size of Residences and Location on Lot. No Unit erected on any Lot shall have more than two and one-half (2 ½) stories, or exceed a maximum height of thirty-five feet (35') from top of lower slab. No Unit with an interior area of less than the applicable minimum number of square feet set forth below, exclusive of the attached garages, porches, or other appurtenances or appendages, shall be erected on any Lot, with the exception of Lots Three (3) through Twenty-Two (22) and Lots Twenty-Five (25) through Forty-Two (42) in previously identified Lakecliff on Lake Travis Section Eleven:

	All Other Lots	Previously Identified Section 6, 7, 8, 9, 12 (Lots 9-22) and 13 (Lots 1, 15-18)
<u>Main Residence</u>	<u>Minimum Interior Area</u>	<u>Minimum Interior Area</u>
(a) One (1) story residence	2,200 square feet	3,000 square feet
(b) One and one-half (1 ½), two (2), and two and one-half (2 ½) story residences	2,400 square feet (with at least 1,500 square feet on the first floor)	3,000 square feet (with at least 2,000 square feet on the first floor)
(c) Guest house	1,200 square feet	1,200 square feet
(d) Studio	625 square feet	625 square feet

Any other out-buildings must be approved by ACC.

No structure or improvements shall be located on any Lot between the building setback lines shown on the Plat pertaining to such Lot and the street right-of-ways on which such Lot fronts or which are adjacent to any side Lot line of such Lot. In addition, no structure or improvements shall be located nearer than ten feet (10') to any interior (side) Lot line, unless otherwise approved in writing by ACC. The ten (10) foot interior (side) setback line shall not apply to Lots Three (3) through Twenty-Two (22) and Lots Twenty-Five (25) through Forty-Two

(42) in previously identified Lakecliff on Lake Travis Section Eleven. The Plat sets forth certain setback lines for each Lot and no buildings shall be erected closer to the front Lot lines than such setback lines. For the purposes of this Section 2.4, eaves, steps, and open porches shall be considered to be a part of the building or structure. Unless otherwise approved in writing by ACC, each Unit shall face the front Lot line of the Lot upon which it is constructed, and each detached garage shall be provided with a driveway access from the front of the Lot. Such access into the garage must comply with the terms stated in Section 2.3 and with all requirements established by the ACC. During original construction, the ACC, or its assignee, at its sole discretion, is hereby permitted to approve deviations in the location of improvements upon the Lot, subject to setback shown on the recorded Plat.

For Lots in previously identified Lakecliff on Lake Travis Section Ten, Section Eleven, Section Twelve and Section Thirteen (Lots Two (2) through Fourteen (14)), all construction plans must be approved by the Declarant with regard to size, external colors, building materials and landscaping.

For Lots One (1) through Eighteen (18) in previously identified Lakecliff on Lake Travis Section Ten, Lots Three (3) through Twenty-Two (22) and Lots Twenty-Five (25) through Forty-Two (42) in previously identified Section Eleven, and Lots Two (2) through Fourteen (14) in previously identified Lakecliff on Lake Travis Section Thirteen, each Lot within each Section will be subject to an annual landscape fee to be based upon a pro-rata cost to the total landscape maintenance expense for the Lots in each Section. The Association will administer the calculation of this fee and handle billing and collection and oversee the landscape maintenance.

For Lots One (1), Two (2), Twenty-Three (23) and Twenty-Four (24) in previously identified Lakecliff on Lake Travis Section Eleven and Lots Six (6), Seven (7) and Eight (8) in previously identified Lakecliff on Lake Travis Section Twelve, Declarant reserves the right to modify the height restrictions and to utilize these Lots as condominium regimes pursuant to the Texas Uniform Condominium Act.

For previously identified Lakecliff on Lake Travis Section Twelve, Declarant reserves the right of usage of Lot One (1) as a parking lot and Lots Two (2) through Five (5) as a tennis center.

Section 2.5 Party Walls; Encroachment and Protrusion Easements. For Lots Three (3) through Twenty-Two (22) and Lots Twenty-Five (25) through Forty-Two (42) in previously identified Lakecliff on Lake Travis Section Eleven, the structures on the Lots shall adjoin the

structure on the adjacent Lot by as wall located on or near the boundary line of the two Lots. The wall or other structure separating such structures shall be and remain a party wall and shall be subject to the following provisions. Each Owner of a structure having a party wall covenants to take no action which would disturb the integrity and support provided by the wall or other structure by means of penetration or otherwise and affirmatively covenants to protect such wall from the elements. If any Owner, or such Owner's family members, guests, tenants or invitees causes such damage or injury or fails to protect the party wall from the elements, the Owner shall be liable for the restoration thereof and for any costs or expenses incurred in connection therewith. The Owner's liability shall be limited to the types of damage for which the Owner would be liable under Texas law. If damage or injury is caused to a party wall by someone other than such Owners or persons for whom they are responsible, then the restoration and other costs and expenses shall be borne equally by both such owners, except to the extent insurance proceeds may be available. The cost of reasonable repair and maintenance of a party wall shall be shared by both Owners who make use of the wall in equal proportions. The right of an Owner to obtain reimbursement for said repair and maintenance costs from the Owner who shares the wall shall be appurtenant to the land and shall pass to such Owner's successors in title. Each Lot within The Cottage Property is hereby declared to have an easement over all adjoining Lots for purpose of accommodating any encroachment and/or protrusion due to engineering errors, errors in original construction, settlement or shirting of any of the improvements constructed upon the Lot. There shall be valid easements for maintenance of said encroachment and/or protrusions so long as they shall exist, provided, however, that in no event shall a valid easement for encroachment or protrusion be created in favor of an Owner or Owners if said encroachment or protrusion occurred due to the willful misconduct of said Owner or Owners. In the event a structure is partially or totally destroyed and then repaired or rebuilt, the Owners of each Lot agree that the minor encroachments and/or protrusions over adjoining Lots shall be permitted and there shall be a valid easement for the maintenance of said encroachments and/or protrusions so long as they shall exist. Such encroachments and/or protrusions shall be considered to be encumbered either on the Common Area or on a Lot for purposes of good and indefeasible title or otherwise.

In addition to the provisions above, the failure of Lot Owner (the "Defaulting Owner") to maintain, repair or restore the party wall shall give the neighboring Lot Owner (the "Non-Defaulting Owner") the right at any time to enter upon the Defaulting Owner's improvements to carry out such maintenance, repairs or restoration and to charge the cost thereof to the Defaulting Owner. The cost of such repairs and maintenance shall be promptly repaid to the Non-Defaulting Owner by the Defaulting Owner, and the Non-Defaulting Owner shall have a lien on the Defaulting Owner's Lot and improvements for payment. The lien described in this

Paragraph shall be deemed subordinate to any mortgage for the purchase or improvement of any Lot and any renewal, extension, rearrangement or refinancing of such mortgage.

Notice of the lien referred to in the preceding Paragraph shall be given by the recordation in the Real Property Records of Travis County, Texas, of an affidavit, duly executed, sworn to and acknowledged by the Non-Defaulting Owner, setting forth the amount owed, the name of the Defaulting Owner or Owners, and the legal description of the Defaulting Owner's Lot.

Each Owner, by acceptance of a deed to that Owner's Lot, expressly recognizes the existence of such lien as being prior to his ownership of such Lot and vests in the Non-Defaulting Owner the right and power to bring all actions against such Defaulting Owner personally for the collection of such unpaid maintenance or repair costs other sums due as a debt, and to enforce the lien by all methods available for the enforcement of such liens by judicial foreclosure pursuant to Section 51.002 of the Texas Property Code (as it may be amended or revised from time to time).

At any foreclosure, the Non-Defaulting Owner shall be entitled to bid up to the amount of the sum secured by his lien, together with costs and attorney's fees, and to apply as a cash credit against his bid all sums due to the Non-Defaulting Owner covered by the lien foreclosed. From and after any such foreclosure, the Non-Defaulting Owner shall be entitled to sue for recover of possession of the property by forcible detainer without further notice.

Each Lot Owner shall have the obligation to insure his improvements for full replacement value and shall annually provided proof of such coverage to the other Lot Owner with whom a party wall is shared prior to expiration of the policy. Failure to provide proof of such coverage after inquiry shall entitle the party asking for proof of coverage to provide such insurance and to charge the cost thereof to the party failing to provide coverage. The party incurring such costs shall have all of the rights of the Non-Defaulting Owner as described in the preceding four (4) paragraphs, and the party failing to provide proof of coverage shall be subject to all of the liabilities of the Defaulting Owner.

Section 2.6 Out-Buildings. All outbuildings to be constructed on a lot must have the same exterior building and roofing materials and color as the main residences. Guest houses and studios are permitted, but in no event shall guest houses or studios be constructed prior to construction of the main residence without prior ACC approval.

Section 2.7 Walls, Fences, and Hedges.

(a) All fences and walls, wherever located on a Lot must be of ornamental iron, masonry construction, or Subdivision Fence, unless otherwise approved in writing by the ACC. No fence, wall, entryway or gate, or other improvement shall be erected, placed, or altered on any Lot, unless otherwise approved in writing by the ACC. No fence, wall, hedge, or similar structure or growth shall be constructed or allowed to grow greater than eight feet in height unless otherwise approved in writing by the ACC, or in excess of any applicable governmental restriction regarding the same, whichever is the lower height.

(b) Ownership of any wall, fence or hedge, with the exception of the Subdivision Fence, erected on a Lot shall pass with title to such Lot. Owner shall not damage, destroy, remove, paint or otherwise alter the Subdivision Fence in any manner and shall without limitation be prohibited from installing or constructing gates or openings in the Subdivision Fence without prior approval by the ACC. Owner shall be responsible for any damage, and cost attributable thereto, caused to the Subdivision Fence, by said Owner or their respective assigns, agents, invitees and representatives. Following the passage of title, it shall be the Owner's responsibility to maintain all walls, fences, or hedges, except the Subdivision Fence, located on Owner's Lot. In any event if any Owner or occupant of any Lot fails to maintain said wall, fence, or hedge or damage, destroys or alters the appearance of the Subdivision Fence, after thirty (30) days written notice thereof, Declarant, its successors or assigns, or the Association, may, at its option, without liability to the Owner or occupant enter upon said Lot and cause to be repaired or maintained or to do any other thing necessary to secure compliance with these restrictions, and to place said wall, fence, hedge or Subdivision Fence in a satisfactory condition, and may charge the Owner of the Lot for the cost of such work. The Owner agrees by the purchase of such Lot, to pay such charge immediately upon receipt of the corresponding statement. If Owner fails to pay such statement upon demand, the payment thereof shall be secured and enforced in the same manner as the annual maintenance charge and special assessment described in Section 5.7 of this Declaration.

(c) Subdivision Fence maintenance and repair shall be the responsibility of the Declarant until such time as the Subdivision Fence is conveyed to the Association, at which time all such responsibility shall be assumed by the Association. The Declarant reserves a permanent maintenance easement ten feet (10') in width (or to the subdivision property line) on each side of the fence.

(d) No fence, hedge or shrub, with the exception of the Subdivision Fence, that obstructs sight lines at elevations between two (2) and six (6) feet above any roadway shall be placed or permitted to remain on any corner Lot within the triangular area formed by the street property lines and a line connecting them at points twenty-five feet (25') from the intersection of the street lines, or in case of a rounded property corner, from the intersection of a street property line with the intersection of a driveway or alley pavement. No trees shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at a sufficient height to prevent obstruction of such site lines.

Section 2.8 Reservations and Easements

(a) Title to all streets, drives, boulevards, and other roadways, and to all easements shown on the Plat, is hereby expressly reserved and retained by Declarant subject only to the grants and dedications expressly made on the Plat.

(b) Declarant reserves the utility easements, roads, and rights-of-way shown on the Plat for the construction, addition, maintenance, and operation of all utility systems (which systems shall include systems for drainage purposes) now or hereafter deemed necessary by Declarant for all utility purposes, including systems of electric light and power supply, drainage, telephone services, water supply, and services resulting from advances in science and technology. There is hereby created an easement upon, across, over, and under all of the Land shown on the Plat for ingress and egress for the purpose of installing, replacing, repairing, and maintaining all utilities. By virtue of this easement, it shall be expressly permissible for the Utility Companies and other entities supplying services to install and maintain pipes, wires, conduits, service line, or other utility facilities (which facilities shall include drainage facilities) or appurtenances thereto, on, above, across, and under the Land within the drainage and utility easements now or from time to time existing and from service lines situated within such easements to the point of service on or in any structure. Notwithstanding anything contained in this Section 2.7(b), no utilities (including drainage) or appurtenances thereto may be installed or relocated on the Land until approved by Declarant or, if applicable, the Board. The Utility Companies furnishing service shall have the right to remove all trees situated within the utility easements shown on the Plat, and to trim overhanging trees and shrubs located on portions of the Land abutting such easements. All utilities and utility easements situated in or on the Land may also be used to provide utility service to other property in the vicinity of the Subdivision, including without limitation any additional property that may be annexed hereto pursuant to the provisions of this Declaration.

(c) It is expressly agreed and understood that the title conveyed by Declarant to any Lot or parcel of land in the Subdivision by contract, deed, or other conveyance shall not in any event be held or construed to include the title to any oil, gas, coal, lignite, uranium, iron ore, or any other minerals, gas, storm lines, poles or conduits or any utility or appurtenances thereto constructed by or under authority of Declarant or its agents or Utility Companies through, along, or upon said easements or any part thereof to serve said Lot or parcel of land or any other portions of the Subdivision. Declarant hereby expressly reserves the right to maintain and repair, such lines, utilities, drainage facilities, and appurtenances.

(d) Declarant expressly reserves the right to grant an easement on, over, and across all roads and streets in the Subdivision for the purpose of providing vehicular and pedestrian ingress and egress to or from other property in the vicinity of the Subdivision, upon such terms and conditions as Declarant may determine, which may include, without limitation, the sharing with the Association of the cost of the repair and maintenance of such streets and roads on such basis as the Declarant may determine.

(e) Declarant reserves the right to impose further restrictions and dedicate additional easements and roadway rights of way, by instrument recorded in the Office of the County Clerk of Travis County or by express provisions in conveyances, with respect to Lots that have not been sold by Declarant.

(f) Declarant reserves the right to make changes and additions to all easements for the purpose of aiding in the most efficient and economic installation of utility systems.

(g) In addition to and without limitation of the generality of the other provisions of this Section 2.7, Declarant expressly reserves the right to establish by separate instrument conservation easements on, over, across, and under the Lots for the purposes of compliance with the Lower Colorado River Authority Nonpoint Source Pollution Control Ordinance, including without limitation conservation easements for the construction and maintenance of water pollution control devices such as detention ponds and trenches as well as for vegetative buffers.

ARTICLE 3 ARCHITECTURAL CONTROL COMMITTEE

Section 3.1 Establishment and Composition. There is hereby established an Architectural Control Committee (ACC), which shall consist of the Declarant and such other persons, if any as may be designated by the Declarant from time to time.

Section 3.2 Appointment and Removal. Except as provided below, the right to appoint and remove all members of the ACC at any time, with or without cause, shall be, and hereby is, vested solely in the Declarant. At such time as Declarant no longer owns any portion of the Property or at such time that Declarant records a waiver of the right herein retained, whichever event occurs first, then the Association shall appoint all members of the ACC in accordance with the Bylaws of the Association.

Section 3.3 Transfer of Authority to the Association. The duties, rights, powers and authority of the ACC constituted hereby may be assigned at any time, at the sole election of a majority of the members of the ACC, to the Association, and from and after the date of such assignment, and the acceptance thereof by the Association, the Association shall have full right, authority and powers, and shall be obligated to perform the functions of the ACC as provided herein (and in the Bylaws of the Association).

Section 3.4 Duties.

(a) General: It shall be the duty of the ACC to receive, consider and act upon all proposals, plans, complaints, requests for determination, Plans or other matters submitted to the terms of this Declaration, and to carry out all other duties imposed on it by this Declaration.

(b) Consultant: The ACC may, but need not, hire specialized consultants and incur expenses to aid it in reviewing plans and inspecting construction. The cost of such specialized consultants and expenses shall be considered to be a cost of the Plans of the Lot Owner and payment of such costs shall be considered as a filing requirement of the Plans and such Plan will not be considered unless and until such costs are paid.

Section 3.5 Meetings. The ACC shall meet from time to time as necessary to perform its duties hereunder. Subject to provisions of Section 3.6 below and except as otherwise provided herein, the vote or written consent of a majority of the members, at a meeting or otherwise, shall constitute the act of the Committee. The Committee shall keep and maintain written records of all actions taken by it at such meetings or otherwise.

Section 3.6 Action Without Formal Meeting. The ACC, in accordance with Section 3.5 hereof, may take action without formal meeting by unanimously consenting in writing on any matter which they might consider at a formal meeting. Such unanimous written consent shall

constitute the act of Committee. For the purposes hereof, unanimous written consent shall mean a writing signed by all members of the ACC.

Section 3.7 Procedure for Submission and Approval of Plans.

(a) No building or improvement of any kind will be erected, placed, constructed, maintained, or altered on any Lot (excluding the Exempt Lots) until the Plans for such building or improvements have been submitted to and approved in writing by ACC. The determination of the ACC shall be in its sole discretion.

(b) In determining whether such Plans shall be approved, the ACC may take into consideration factors deemed appropriate by the ACC. Such factors may include, without limitation, the following:

- (1) compliance with these Restrictions;
- (2) quality, texture, and color of the building materials or improvements;
- (3) harmony of external design of such building or improvement with existing and proposed buildings and improvements and with the design or overall character and aesthetics of the Subdivision;
- (4) location of such building or improvement within the Lot on which it will be constructed or placed;
- (5) the number of square feet to be contained in such building or improvement;
- (6) compliance with the Rules and Regulations;
- (7) installation of a pressure reducing valve if deemed necessary by Declarant or Association on those Lots with water pressure in excess of eighty pounds per square inch (80 p.s.i.);
- (8) compliance with laws, ordinances, rules or regulations of any county, state, municipal or other governmental authority.

(c) The ACC shall approve or disapprove the Plans in accordance with the following procedures:

(1) Two (2) complete sets of Plans shall be delivered to the ACC at the address set forth in the Rules and Regulations.

(2) If the Plans are approved by the ACC a letter of approval, including a description of qualifications or required modifications, if any, will be prepared and dispatched, along with one complete set of Plans, to the Owner. Such approval shall be dated and shall not be effective for construction commenced more than three hundred sixty (360) days after such approval. If construction is not commenced within three hundred sixty (360) days after such approval, Owner shall not begin construction of any building or improvement of any kind until the corresponding Plans have been resubmitted and reapproved by the ACC in accordance with the provision of this Section 3.7.

(3) If the Plans are disapproved by the ACC, one set of such Plans shall be returned marked "Disapproved". Disapproved Plans shall be accompanied by a statement of reasons for disapproval.

(4) If the ACC fails to indicate its approval within thirty (30) days after receipt of Plans, it will be deemed that the ACC has approved such Plans.

(5) The ACC may require payment by any party who submits Plans for approval of a cash fee to compensate for the expense of reviewing such Plans and inspecting construction.

(d) All decisions of the ACC shall be final and binding and there shall be no review of any action of the ACC.

(e) No approval of Plans shall ever be construed as representing or implying that such Plans, specifications, or standards will, if followed, result in a properly designed structure. Such approvals and standards shall in no event be construed as a representation or guarantee by the Board or ACC that any structure will be built in a good or workmanlike manner. Neither Declarant, nor the members of the ACC or its representatives, shall be liable in damages to anyone submitting Plans to the ACC for approval, or to any Owner or lessee of any part of the Subdivision affected by these Restrictions, by reason of or in connection with the approval or disapproval or failure to approve any Plans submitted. Every person who submits Plans to the

ACC for approval agrees, by submission of such Plans, and every Owner or lessee of any portion of the Subdivision agrees, by acquiring title thereto or interest therein, that he will not bring any action or suit against Declarant or the members of the ACC, or their representatives to recover any such damages.

Section 3.8 Waiver and Estoppel. The approval of the ACC of any Plans, specifications or drawings or any materials accompanying it for matters requiring approval of the ACC shall not be deemed to constitute a waiver of, or a limitation on, the Committee's right to withhold approval of any similar Plans, drawing, specification, or matter subsequently submitted for approval.

Section 3.9 ACC Rules.

(a) The ACC shall have the authority to adopt, amend, add to, replace and rescind, from time to time, procedural or substantive rules to make more definite and certain, and to carry out the purpose and intent of, the provisions of this Declaration. A copy of such rules, as in effect from time to time, shall be provided to any Owner requesting the same in writing.

Section 3.10 Decisions Conclusive. All decisions of the ACC shall be final and conclusive, and no Owner or any other person, association or entity shall have any recourse against the ACC, or any member thereof, for its, or such member's, approval or refusal to approve all or any portion of a Plans or of any materials submitted therewith, or for any other decision rendered in good faith.

Section 3.11 Liability. Neither the ACC nor any member thereof shall be liable to any Owner, or any other person, association, or entity, for any damage, loss or prejudice suffered or claimed on account of: (i) the approval or disapproval of any Plans or any materials submitted therewith, whether or not defective; (ii) the construction or performance of any work, whether or not pursuant to an approved Plans or any materials submitted therewith; (iii) the development of the Property; (iv) the structural capacity or safety features of any improvements or Structure; (v) whether or not the location of any Improvements or Structure is free from possible hazards from flooding, or from any other possible hazards whether caused by conditions occurring either upon or off the Property; (vi) soil erosion causing sliding conditions; (vii) compliance with governmental laws, ordinances and regulations; (viii) any decision made or action taken or omitted to be taken in good faith; or (ix) the execution and filing of any estoppel generality of any of the foregoing provisions of this Section, the ACC or any member

thereof, may, but is not required to, consult with or determine the view of any other Owner with respect to any Plans, or any materials submitted to the ACC.

Section 3.12 Modifications and Waivers. The ACC, upon such terms and conditions, upon the payment of such fees or expenses, and for such procedures, as it may prescribe, may but is not required to, adopt, review and approve or disapprove, in whole or in part, with or without conditions, applications for the modification or waiver of any requirement of Article 2 of this Declaration, or of the ACC rules, applicable to any Improvements or use of, in, on or abutting any Lot. Such applications shall contain such information as the ACC may prescribe, and shall affirmatively show that the application of such requirements, under the circumstances, creates unnecessary and undue hardship, and that its modification or waiver will not be detrimental (aesthetically, economically, or otherwise) to the Owner of any other Lot. The ACC may decide the matter upon the application and any materials or written statements accompanying it, or may allow oral presentations in support of, or in opposition to, the application prior to the decision, at its discretion. The ACC shall render a decision in writing, which decision need not contain any reasons, findings, or conclusions for the decision and shall forward one copy to the applicant.

Section 3.13 Governmental Agency Approval. Nothing in this Declaration shall relieve, or be interpreted as purporting to relieve, any Owner from also securing such approval(s), certificate(s), or permit(s) of any governmental agency or entity with jurisdiction as may be required by law as a condition to the commencement, construction, maintenance, addition, change or alteration to or of any Improvements, and the ACC may require that a copy of such approval(s), certificate(s), or permit(s) be provided to the ACC as a final condition to approval of a Plans, or as additional insurance to the ACC that the improvements and uses of any approved Plans meet governmental requirements, or for both such purposes.

ARTICLE 4 LAKECLIFF PROPERTY OWNERS ASSOCIATION

Section 4.1 Management by Association. The Declarant shall cause the formation and incorporation of the Association as a non-profit corporation organized and existing under the Texas Non-Profit Corporation Act charged with the duties and invested with the powers prescribed by law and set forth in the Articles of Incorporation, Bylaws, and the Declaration. The affairs of the Subdivision shall be administered by the Association. The Association shall have the right, power, and obligation to provide for the management, construction, maintenance, repair, replacement, administration, insuring, and operation of the Subdivision as herein provided for and as provided for in the Bylaws and in the Rules and Regulations. The

business and affairs of the Association shall be managed by its Board of Directors. The Declarant shall determine the number of directors and appoint, dismiss, and reappoint all of the members of the Association's Board of Directors to ensure the stability of the Association's and the Subdivision's affairs, until the first meeting of the members of the Association is held in accordance with the provisions of Section 4.4 and a Board of Directors is elected. The Board of Directors elected at the first meeting of Members of the Association is herein called the "First Elected Board". The Board of Directors appointed by Declarant pursuant to the provisions of this Section 4.1 is herein called the "Appointed Board".

The Appointed Board may engage the Declarant or any entities, whether or not affiliated with Declarant, to perform the day to day functions of the Association and to provide for the maintenance, repair, replacement, administration, and operation of the Subdivision. Without limiting the generality of the foregoing, the Association, acting through the Board, shall be entitled to enter into activities regarding enforcement of the building restrictions, the private roads and water system, as the Board deems reasonably necessary or appropriate to maintain and operate the Subdivision as a viable residential development.

Section 4.2 Membership in Association. Each Owner, including Declarant during the period of time in which Declarant owns any Lot, shall be a Member of the Association and such membership shall terminate automatically when such ownership ceases. Upon the transfer of ownership of a Lot, howsoever achieved, the new Owner thereof shall, concurrently with such transfer, become a Member in the Association. Membership in the Association runs with title to the Lots and is mandatory.

Section 4.3 Voting of Members. There shall be two classes of membership in the Association. Class A Members shall be all persons (other than the Declarant) owning one or more Lots. The Class B Member shall be the Declarant. The Class B membership shall terminate upon the first to occur of (a) when the then Class B Member so designates in a writing delivered to the Association, (b) ten (10) years after the date of the recording of this Declaration, or (c) when ninety percent (90%) of the Lots in the Subdivision are owned by persons other than the Declarant. When entitled to vote, each Member shall be entitled to one (1) vote for each Lot owned by that Member. Until such time as Class B membership terminates, the Class B Member shall be vested with the sole and exclusive voting rights except on such matters as to which this Declaration, the Articles of Incorporation, or the Bylaws of the Association specifically require a vote of the other classes of Members. In the event that ownership interests in a Lot are owned by more than one Member of the Association, such Members shall exercise their right to vote in such manner as they may among themselves determine, but in no event shall more than one

vote be cast for each Lot. Such owners shall appoint one of them as the Member who shall be entitled to exercise the vote of that Lot at any meeting of the Association. Such designation until written notice revoking such designation is received by the Board. In the event that a Lot is owned by more than one Member of the Association and no single Member is designated to vote on behalf of Owners shall appoint one of them as the member who shall be entitled to exercise the vote of that Lot at any meeting of the Association. Such designation until written notice revoking such designation is received by the Board. In the event that a Lot is owned by more than one Member of the Association and no single Member is designated to vote on behalf of the Members having an ownership interest in such Lot, then none of such Members shall be allowed to vote. All Members of the Association may attend meetings of the Association and all voting Members may exercise their vote at such meeting either in person or by proxy. The Declarant may exercise the voting rights with respect to Lots owned by it.

Section 4.4 Meetings of the Members.

(a) The first meeting of the Members of the Association shall be held when called by the Appointed Board upon no less than ten (10) and no more than fifty (50) days prior written notice to the Members. Such written notice may be given at any time but must be given no later than thirty (30) days after ninety percent (90%) of all of the Lots in the Subdivision have been sold by the Declarant and a deed recorded for each Lot in the Office of the County Clerk of Travis County, Texas. The First Elected Board shall be elected at the first meeting of the Members of the Association.

(b) Thereafter, annual and special meetings of the Members of the Association shall be held at such place and time and on such dates as shall be specified in the Bylaws.

Section 4.5 Election and Meetings of the Board of Directors. The Board of Directors shall be elected and shall meet in the manner set forth in the Bylaws.

Section 4.6 Disputes. In addition to the other powers conferred by law or hereunder, the Board shall be empowered to create procedures for resolving disputes between Owners and the Board or the Association, including appointment of committees to consider and recommend resolutions of any such disputes.

Section 4.7 Professional Management. The Board may retain, hire, employ, or contract with such professional management as the Board deems appropriate to perform the

day to day functions of the Association and to provide for the construction, maintenance, repair, landscaping, insuring, administration, and operation of the Subdivision as provided for herein and as provided for in the Bylaws.

Section 4.8 Board Actions in Good Faith. Any action, inaction, or admission by the Board made or taken in good faith shall not subject the Board or any individual member of the Board to any liability to the Association, its members, or any other person.

Section 4.9 Ownership of Private Roads and Water System. Ownership of the right-of-way containing all private roads in the Subdivision and the water system shall be transferred, free of charge by the Declarant, to the Association at any time the Declarant elects, but not later than the sale of ninety percent (90%) of all Lots in the Subdivision.

ARTICLE 5 MAINTENANCE EXPENSE CHARGE AND MAINTENANCE FUND

Section 5.1 Payment of Annual Maintenance Charge. Each Lot shall be subject to an Annual Maintenance Charge of \$300.00 per year. The amount of the Annual Maintenance Charge for each Lot may be increased or decreased by the Board from time to time, but no more than often than once per year. However, if any such change increases the Annual Maintenance Charge by more than twenty percent (20%) of the amount of the Annual Maintenance Charge in the preceding calendar year, the change must be approved by a vote of at least a majority of the votes of each Class of Members, by written vote taken not less than ten (10) days prior to the first day of January of the year in which such increase is scheduled to become effective.

Section 5.2 Payment of Annual Maintenance Charge by Declarant. Notwithstanding anything to the contrary herein, all Lots while owned by the Declarant shall be exempt from the payment of an Annual Maintenance Charge.

Section 5.3 Maintenance Fund. The Annual Maintenance Charges collected by the Board shall be paid into the Maintenance Fund and shall be held, managed, invested, and expended by the Board, at its discretion, for the benefit of the Subdivision and the Owners of Lots therein, for, but not limited to, road and drainage facilities maintenance, mowing right-of-way alongside road, water system operation and maintenance, Subdivision Fence maintenance, mowing of vacant Lots, and maintenance of any recreational amenities and common areas now existing or hereafter annexed to or for the use of Owners of the Subdivision. The Board shall expend the Maintenance Fund for the administration, management, and operation of the

Subdivision for the enforcement of these Restrictions by action at law or in equity, or otherwise, and the payment of court costs as well as reasonable and necessary legal fees; and for all other purposes that are, in the discretion of the Board, desirable in order to maintain the character and value of the Subdivision and the Lots therein. The Board and its individual members shall not be liable to any person as a result of actions taken by the Board with respect to the Maintenance Fund, except for willful misdeeds.

Section 5.4 Ownership, Maintenance, and Assessments for Maintenance of Private Roads. In addition to and without limiting the generality of the other provisions of this Article 5, the Association shall, upon conveyance from the Declarant, own and have the obligation to maintain, and levy and collect assessments for the maintenance of the roads located within the Subdivision (the "Private Roadways"), as those Private Roadways are depicted on the Plat, and any security gates or other devices ("Security Facilities") controlling access to the Private Roadways. The Private Roadways shall not be dedicated to or maintained by Travis County. If the Private Roadways are acquired by Travis County, all special paving and medians within the Private Roadways and the Security Facilities shall be removed to meet Travis County standards. Further, an express easement is hereby granted across the Private Roadways and any adjoining common areas for the use of the surface for all governmental functions, vehicular and non-vehicular, including fire and police protection, solid and other waste material pick up and any other purposes any governmental authority deems necessary, and the Declarant does further agree that all governmental entities, their agents or employees, shall not be responsible or liable for any damage occurring to the surface of the Private Roadways and adjoining common area as a result of governmental vehicles traversing over same.

Section 5.5 Ownership, Maintenance, and Assessments for Maintenance of Water Quality Improvements. The Subdivision is subject to the requirements of the Lower Colorado River Authority Nonpoint Source Pollution Control Ordinance (the "Ordinance"). Pursuant to the Ordinance, the Declarant will construct certain improvements (the "LCRA Improvements"), including detention ponds, within the Subdivision. In addition to and without limitation of the other provisions of this Article 5, the Association shall, upon conveyance from the Declarant, own and have the obligation to maintain and levy and collect assessments for the maintenance of the LCRA Improvements, exclusive of gravel filled trenches to be constructed on certain of the Lots, which trenches shall be maintained by the Respective Owners in accordance with the Ordinance.

Section 5.6 Special Assessments. The Association may levy and collect Special Assessments to pay in whole or in part the cost of any Major Repair or Maintenance Expenses

(to the extent that the Board determines that the Annual Maintenance charges assessed for any period are insufficient for the continued operation of the Subdivision and maintenance of the Common Areas) or replacement of a capital improvement without the approval or concurrence of the members. A "Major Repair or Maintenance Expense" means any repair to or maintenance of an existing capital improvement that exceeds \$20,000. "Replacement of a capital improvement" means replacement of any existing Capital Improvement. The Association may levy or collect a Special Assessment for the acquisition of a new Capital Improvement provided the Special Assessment is approved by a vote of at least sixty percent (60%) of the votes of the Members without regard to class.

Section 5.7 Enforcement of Annual Maintenance Charge and Special Assessment.

(a) The Annual Maintenance Charge assessed against each Owner shall be due and payable, in advance, on the date of the sale of such Lot by Declarant for that portion of the calendar year remaining, and on the tenth (10th) day of each January thereafter. Any such amount not paid and received by the tenth (10th) day of each January thereafter shall be deemed delinquent, and, without notice, shall bear interest at the highest contract rate per annum allowed by law from the date originally due until paid.

(b) To secure payment of the Annual Maintenance Charge or Special Assessments levied hereunder, and any other sums due hereunder (including, without limitation, interest, late fees or delinquency charges), a vendor's lien and superior title shall be and hereby is reserved in and to each Lot and Unit and Commercial Unit and is hereby assigned and transferred (without recourse on or warranty by Declarant) to the Association, which lien shall be enforceable as hereinafter set forth by the Association or the Board on behalf of the Association. The collection of such Annual Maintenance Charge and other sums due hereunder may, in addition to any other applicable method at law or in equity, be enforced by suit for a money judgment and in the event of such suit, the expense incurred in collecting such delinquent amounts, including interest, costs, and attorney's fees shall be chargeable to and be an obligation of the defaulting Owner. The voting rights of any Owner in default in the payment of the Annual Maintenance Charge, Special Assessment or other charge owing hereunder for which an Owner is liable, may be revoked by action of the Board for the period during which such default exists.

(c) Notice of the lien referred to in the preceding paragraph may be given by the recordation in the Office of the County Clerk of Travis County, Texas, of an affidavit, duly executed, sworn to and acknowledged by an Officer of the Association, setting forth the amount

owed, the name of the Owner or Owners of the affected Lot, according to the books and records of the Association, and the legal description of such Lot.

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

Service. The affidavit of any person having knowledge of the facts to the effect that such service was completed shall be prima facie evidence of the fact of such service.

(e) At any foreclosure, judicial or non-judicial, the Association shall be entitled to bid up to the amount of the sum secured by its lien, together with costs and attorney's fees, and to apply as a cash credit against its bid all sums due to the Association covered by the lien foreclosed. From and after any such foreclosure the occupants of such Lot shall be required to pay a reasonable rent for the use of such Lot and such occupancy shall constitute a tenancy-at-sufferance, and the purchaser at such foreclosure sale shall be entitled to the appointment of a receiver to collect such rents and, further, shall be entitled to sue for recovery of possession of such Lot by forcible detainer without further notice.

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

(g) Notwithstanding the foregoing provisions of this Section 5.7, the lien and all related rights held by the Board and the Association shall be subordinate and inferior to all liens in favor of third party beneficiaries under mortgage and deed of trust instruments duly recorded against any Lot and given by the Lot Owner for the purpose of purchasing or improving the Lot.

Section 5.8 Equality of Assessments and Charges. Any Assessments or charges under this Article 5, whether annual or special, payable by each Lot shall be determined by dividing the Total Assessment or Charge fixed by the Association by the total number of Lots in the Subdivision.

ARTICLE 6 INSURANCE

Section 6.1 General Provisions. The Board shall obtain insurance for the Subdivision in such amounts as the Board shall deem desirable.

Section 6.2 Policies. All policies of insurance provided for in this Article 6 shall name as insured the Association, as trustee for each Owner. Each such policy shall be without contribution with regard to any other policies of insurance carried individually by an Owner, and shall provide that such policy shall not be terminated for any cause without at least thirty (30) days prior written notice to the Association. Any proceeds paid in respect of any insurance policy obtained by the Board pursuant to this Article 6 shall be held and disbursed by the Board in accordance with these Restrictions.

Section 6.3 Subrogation. Each Owner and the Association agree to and hereby waive all rights of subrogation against the Declarant that they may have now or in the future under or with respect to any insurance policies.

Section 6.4 Individual Insurance. Each Owner shall be responsible for insuring his Lot and his Unit or Commercial Unit, as applicable, its contents and furnishings. All policies of casualty insurance carried by each Owner shall be without contribution with respect to the policies of casualty insurance, if any, obtained by the Board for the benefit of all of the Owners as provided above. Each Owner, at his own cost and expense, should carry an individual policy of liability insurance insuring against the liability of such Owner.

ARTICLE 7

FIRE AND CASUALTY, REBUILDING

Section 7.1 Rebuilding. In the event of a fire or other casualty causing damage or destruction to a Lot or the Unit located thereon, the Owner of such damaged or destroyed Lot or Unit shall within six (6) months after such fire or casualty contract to repair or reconstruct the damaged portion of such Lot or Unit and shall cause such Lot or Unit to be fully repaired or reconstructed in accordance with the original Plans therefore, or in accordance with new plans presented to and approved by the Board, and shall promptly commence repairing or reconstructing such Unit to the end that the Unit shall not remain in a partly finished condition any longer than reasonably necessary for completion thereof. Alternatively, such damaged or destroyed Unit shall be razed and the Lot restored as nearly as possible to its prior condition.

Section 7.2 Indemnity of Association. Each Owner shall be responsible for any costs incurred as a result of such Owner's negligence or misuse or the negligence or misuse of (i) his family, tenants, guests, invitees, agents, or employees, or of (ii) any other resident or occupant of his Unit, and shall indemnify the Association and all other Owners against any such costs.

ARTICLE 8

AMENDMENT TO DECLARATION AND SUBDIVISION
AND DURATION OF RESTRICTIONS

Section 8.1 Amendment by Declarant Prohibited. Declarant is hereby prohibited from unilaterally amending this Declaration, and any amendment to this Declaration shall be subject solely to the provisions and requirements of Section 8.2 herein.

Section 8.2 Amendment. Except as otherwise provided by law and by Section 8.1, the provisions hereof may be amended by an instrument in writing signed by members having not less than two-thirds (2/3) of the total votes in the Association that may be cast thereupon, but no such amendment shall be effective until a written notice thereof is duly recorded in the Office of the County Clerk of Travis County. The Bylaws of the Association may be amended as therein set forth. Notwithstanding the foregoing, in no event shall this Declaration be amended in any way that alters, impairs, restricts, or adversely affects the rights, or increases the obligations of, or covenants, conditions, or restrictions applicable to, Owners of the Exempt Lots without the approval of the then outstanding Owners of such Exempt Lots.

Section 8.3 Duration. These Restrictions shall remain in full force and effect until January 1, 2026, and shall be extended automatically for successive ten (10) year periods; provided, however, that these Restrictions may be terminated on January 1, 2026, or on the commencement of any successive ten (10) year period; by filing for record in the Office of the County Clerk of Travis County, an instrument in writing signed by Members having not less than two-thirds (2/3) of the total votes in the Association that may be cast thereupon.

Section 8.4 Amendment to Plat or Subdivision. Notwithstanding anything to the contrary contained in these Restrictions, the Declarant shall have and hereby reserves the right at any time, without the joinder or consent of any other party or entity, whether such other party or entity own any portion of the Lots herein described, to realign or amend any Lots within the Subdivision which may be owned by Declarant, whether such realignment or amendment increases or decreases the size of such Lots, and to file, seek approval of, and record any and all replats, amended plats, or other revisions to the plat of the Subdivision, so long as such realignment or amendment does not materially destroy the overall plan for the development of the subdivision and is effected in accordance with applicable state, county and municipal law. Declarant shall further have the right and hereby reserves the right at any time to approve the construction of a Unit across the Lot lines of any Lots held in common ownership. For purposes of effecting these rights, each Owner hereby appoints Declarant as its attorney-in-fact for the purpose of filing, recording, and seeking any and all necessary approvals and recordings for amended plats or replats made or sought pursuant to this

provision, and the power hereby granted to Declarant shall be, and is, a power coupled with an interest and it irrevocable.

Section 8.5 Annexation of Additional Land. Declarant hereby declares that it presently contemplates that at a future time the Land may be expanded (but Declarant does not hereby obligate itself to expand the Land), by adding, from time to time, Additional Land. The Additional Land may include, without limitation, single-family residential lots, common areas, recreational amenities, patio-home and townhome lots, condominium regimes, and commercial property and/or Lots. These Restrictions shall become effective with respect to any such annexed Additional Land on the date on which there is filed for record in the Office of the County Clerk of Travis County, Texas a Supplemental Declaration to that effect signed and acknowledged by Declarant. Such Supplemental Declaration shall describe the degree to and manner in which these Restrictions shall apply to the Additional Land and may include, at Declarant's options, such other or further covenants, conditions, and restrictions as apply to the Additional Land and shall set forth the responsibilities of the Association with respect to the operation, maintenance, and repair, and provisions for the use and enjoyment, of such portions of the Additional Land constituting roads, utilities, common areas, and recreational amenities and the assessments applicable to those portions of the Additional Land constituting Lots or other units for residential or commercial occupancy. Without limiting the generality of the foregoing, Declarant further reserves the right, at any time and from time to time, without the consent of any other party or entity, to take such action as may be deemed necessary by Declarant to expand satisfactorily the Subdivision. Declarant further reserves the right, without the consent of any other party or entity, to make such additions, deletions and modifications to these Restrictions with respect to the Additional Land, as may be necessary to reflect the different character, if any, of such portion of the Additional Land from the remainder of the Subdivision, or as may be necessary or desirable for any other reason. Such additions, deletions and modifications shall be set forth in the Supplemental Declaration relating to such portion of the Additional Land. Declarant may cause to be recorded as many separate Supplemental Declarations as may be desired from time to time and at any time, to effect the Annexation of Additional Land. Except to the extent annexation of Additional Land will cause an increase in Annual Maintenance Charges requiring the approval of the Members in accordance with the provisions hereof, Annexation of Additional Land may be accomplished by the Declarant as its attorney-in-fact for the purpose of effecting the provisions of this Article 8, and the power hereby granted to Declarant shall be, and is, a power coupled with an interest and is irrevocable. These Restrictions, including but not limited to this Article 8, do not presently create any interest in or with respect to the Additional Land, and these Restrictions shall not

affect in any manner all or any part of such Additional Land unless and until a Supplemental Declaration is filed with respect thereto or to a portion thereof in accordance with Article 8.

ARTICLE 9 MISCELLANEOUS

Section 9.1 Severability. In the event of the invalidity or partial invalidity or partial unenforceability of any provision or a portion of these Restrictions, the remainder of these Restrictions shall remain in full force and effect.

Section 9.2 Rules and Regulations. The Rules and Regulations may be amended from time to time by the Board. The Rules and Regulations are of equal dignity with, and shall be enforceable in the same manner as, the provisions of these Restrictions, but in the event of a conflict, these Restrictions, as from time to time amended in accordance with the provisions hereof, shall control. Each Owner, by accepting conveyance of a Lot, agrees to comply with and abide by the Rules and Regulations, as the same may be amended from time to time.

Section 9.3 Number and Gender. Pronouns, whenever used herein, and of whatever gender, shall include natural persons and corporations, entities, and associations of every kind or character, and the singular shall include the plural, and vice versa, whenever and as often as may be appropriate.

Section 9.4 Articles and Sections. Article and section headings in these Restrictions are for convenience of reference and shall not affect the construction or interpretation of these Restrictions. Unless the context otherwise requires, references herein to Articles and Sections are to Articles and Sections of these Restrictions.

Section 9.5 Delay in Enforcement. No delay in enforcing the provisions of these Restrictions with respect to any breach or violation thereof shall impair, damage or waive the right of any party entitled to enforce the same to obtain relief against or recover for the continuation or repetition of such breach or violation or any similar breach or violation thereof at any later time or times.

Section 9.6 Limitation of Liability. Declarant, as well as its partners, agents, employees, officers, directors, and their respective officers, directors, agents, and employees, shall not be liable to any Owner or lessee of the Land or any portion thereof or to any other party for any loss, claim, or demand in connection with a breach of any provision of these Restrictions by any party other than Declarant.

Section 9.7 Enforceability. The restrictions adopted and established for the Subdivision by these Restrictions are imposed upon and made applicable to the Subdivision and shall be binding upon and inure to the benefit of and be enforceable by Declarant, the Association, each purchaser, grantee, Owner, and lessee in the Subdivision, or any portion thereof, and the respective heirs, legal representatives, successors, and assigns of the Subdivision, the Association and each such purchaser, grantee, Owner and lessee.

Section 9.8 Remedies. In the event any one or more persons, firms, corporations, or other entities shall violate or attempt to violate any of the provisions of these Restrictions, the Declarant, the Association, each purchaser, grantee, Owner, or lessee of the Land, or any portion thereof, may institute and prosecute any proceeding at law or in equity (i) to abate, prevent, or enjoin any such violation or attempted violation or (ii) to recover monetary damages caused by such violation or attempted violation. Upon the violation of any of the provisions of these Restrictions by any Owner, in addition to all other rights and remedies available to it at law, in equity, or otherwise, the Association, acting through the Board, shall have the right to restrict the right of such Owner to vote in any regular or special meeting of the Members.

Section 9.9 Authority of the Board to Assess Fines. In addition to any other remedy set forth in this Declaration, and subject to the limitations and procedures set forth below, the Association, acting through its Board of Directors, shall have the power and authority at all times to assess reasonable fines against an Owner for violations of any restriction, condition, covenant, or reservation set forth in this Declaration or any Rules or Regulations adopted by the Association pursuant to Section 9.2 of this Declaration, which have been committed by an Owner, an occupant of the Owner's Lot, or the Owner or occupant's family, guests, employees, contractors, agents or invitees.

In determining the amount of the fine, the Board of Directors shall take into consideration the following factors:

- (a) the seriousness of the violation;
- (b) whether it is a first violation of the particular restriction, rule or regulations or a continuing or repeat violation of the same restriction, rule or regulation;
- (c) whether the violation poses a risk of harm to other residents or property;
- (d) whether the amount of the fine is sufficient to incentivize the Owner to cure the current violation and/or deter future violation of the same restriction, rule or regulation;

- (e) whether the Owner or occupant agrees in good faith to correct the violation within a specified time frame; and/or
- (f) any extenuating circumstances or other factors the Board of Directors deems relevant to assessing a reasonable fine based on the facts of the particular violation.

Each day of violation may be considered a separate violation if the violation continues after written notice to the Owner. Notwithstanding anything to the contrary, the amount of a fine assessed by the Board of Directors shall not exceed \$250 per violation, and the total accumulated amount of fines for a continuous, uninterrupted violation of the same restriction, rule or regulation shall not exceed \$1,000 in the aggregate.

The procedure for assessment of fines shall be as follows:

- (a) the Association, acting through an officer, Board member or managing agent, must give the Owner notice of the fine by certified mail not later than thirty (30) days after the assessment of the fine by the Board of Directors;
- (b) the notice of fine must describe the violation that is the basis for the fine;
- (c) the notice of fine must state the amount of the fine;
- (d) the notice of fine must state that the Owner will have thirty (30) days from the date of the notice to request a hearing before the Board to contest the fine; and
- (e) the notice of fine must allow the Owner a reasonable time, by a specified date, to cure the violation (if the violation is capable of being remedied) and avoid the fine unless the Owner was given notice and a reasonable opportunity to cure a similar violation within the preceding six (6) months.

Payment of an assessed fine is due immediately after the expiration of the thirty (30) day period for requesting a hearing. If a hearing is requested, payment of such assessed fine will be due immediately after the Board of Directors notifies the Owner of its decision regarding the confirmation or modification of the assessed fine. The payment of each fine assessed by the Board of Directors against the Owner of a Lot, together with interest thereon and all costs of collection, including attorney's fees, as herein provided, secured by the lien granted to the Association pursuant to Article V of this Declaration.

WITNESS THE EXECUTION HEREOF, as of the ____ day of _____, _____.

LAKECLIFF ON LAKE TRAVIS PROPERTY OWNERS ASSOCIATION

By: _____

Name: _____

Title: _____

STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

 This instrument was acknowledged before me on the _____ day of _____, _____ by _____ of Lakecliff on Lake Travis Property Owners Association, a Texas corporation, on behalf of said corporation.

(SEAL)

Notary Public in and for
the State of Texas

(Printed Name of Notary)

My commission expires: _____

APPENDIX A

The following Lots/Property are exempt from the restrictive covenants contained in the Restated Declaration:

0.219 of an acre of land, more or less, out of Lot 7, Block "A", of Lakecliff on Lake Travis Section One, a Subdivision

0.055 of an acre of land, more or less, out of Lot 1, Block "A", of Lakecliff on Lake Travis Section One, a Subdivision

Lot 1, of Lakecliff on Lake Travis, Section Twelve, a Subdivision

TRACT 1: 70.896 acres of land, more or less, out of the John Ewers Survey No. 308, the John Ewers Survey No. 410, and the John Moat Survey No. 412, in Travis County, Texas, and being the same property more fully described by metes and bounds in the field notes attached hereto as "Tract One."

TRACT 2: 54.455 acres of land, more or less, out of the John Ewers Survey No. 308, the John Ewers Survey No. 410, and the John Moat Survey No. 412, in Travis County, Texas, and being the same property more fully described by metes and bounds in the field notes attached hereto as "Tract Two."

TRACT 3: 12.115 acres of land, more or less, out of the John Moat Survey No. 412, in Travis County, Texas, and being the same property more fully described by metes and bounds in the field notes attached hereto as "Tract Three."

TRACT 4: 39.335 acres of land, more or less, out of the John Moat Survey No. 412, in Travis County, Texas, and being the same property more fully described by metes and bounds in the field notes attached hereto as "Tract Four."