

Committee. For purposes of this Section, height will be measured from the poured foundation at its lowest point on the Lot to the ridge line of the roof of the proposed Improvement.

3.03 Dwelling Size. All single-story dwellings must contain at least 1200 square feet of enclosed living space, exclusive of porches (open or covered), decks, garages and carports. All two-story dwellings must contain at least 1600 square feet of enclosed living space, exclusive of porches (open or covered), decks, garages and carports.

3.04 Building Materials. All building materials must be approved in advance by the Architectural Committee, and only new building materials (except for used brick) may be used in constructing Improvements. Exposed metal roof decks, which reflect light in a glaring manner, such as galvanized steel sheets, are specifically prohibited. Other roofing materials may be used with the prior written consent of the Architectural Committee, which may specify a minimum quality or grade of materials. All projections from a dwelling or other structure, including chimney flues, vents, gutters, downspouts, utility boxes, porches, railings and exterior stairways, must match the color of the surface from which they project, or be of a color approved by the Architectural Committee. No highly reflective finishes (other than glass, which may not be mirrored) may be used on exterior surfaces (other than surfaces of hardware fixtures) of any Improvement.

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

3.06 Setback Requirements. No building may be located or erected nearer to any Lot line bordering a street right-of-way than is indicated by the building lines shown on the Plat of the Subdivision. For purposes of these covenants, eaves, steps and open porches will not be considered as part of the building; however, this will not be construed to allow any such structure to encroach upon another Lot.

3.07 Rentals. Nothing in this Declaration will prevent the rental of any Lot and its Improvements by the Owner for residential purposes.

ARTICLE IV
COMMON AREA AND FACILITIES

4.01 Condemnation. If all or any part of the Common Area and Facilities is taken or threatened to be taken by eminent domain or by power in the nature of eminent domain (whether permanent or temporary), the Association may participate in proceedings incident thereto. The expense of participation in such proceedings by the Association will be a common expense to be paid out of Assessments. The Association is specifically authorized to obtain and to pay for such assistance from attorneys, appraisers, architects, engineers, expert witnesses and other persons as the Board, in its discretion, deems necessary or advisable. All damages or awards for any such taking will be deposited with the Association. The Association, in addition to the general powers set out herein, will have the sole authority to determine whether to contest or defend any such proceedings, to make any settlement with respect thereto or to convey any property to the condemning authority in lieu of condemnation.

ARTICLE V
ASSOCIATION

5.01 Organization. The Declarant will, at such time as Declarant deems appropriate, cause the formation and incorporation of the Association. The Association will be a nonprofit corporation created for the purposes, charged with the duties, and vested with the powers prescribed by law or set forth in its Articles

and Bylaws or in this Declaration. Neither the Articles nor Bylaws will, for any reason, be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration.

5.02 Membership. Any Person or entity becoming an Owner will automatically become a Member of the Association. Membership will be appurtenant to and run with the property interest that qualifies the Owner for membership, and membership may not be severed from, or in any way transferred, pledged, mortgaged, or alienated, except with the title to the property interest.

5.03 Voting Rights. The right to cast votes, and the number of votes that may be cast, for election of members to the Board and on all other matters to be voted on by the Members will be calculated as follows:

(A) The Owner (including Declarant) of each Lot within the Property will have one vote for each Lot owned.

(B) In addition to the votes to which it is entitled by reason of Subparagraph (A) of this Section, for every one vote outstanding in favor of any other person or entity Declarant will have 10 votes until the votes described in Subparagraph (A) that are owned by persons or entities other than Declarant total, in the aggregate, 75% of the total number of votes. Thereafter, Declarant will have only the votes, if any, to which it is entitled under Subparagraph (A).

(C) The holder of more than one vote may both make a motion and second such motion for any purpose.

5.04 Powers and Authority of the Association. The Association will have the powers of a Texas nonprofit corporation, subject only to any limitations expressly set forth in this Declaration. It will further have the power to take any actions necessary or proper for or incidental to the exercise of any of the express powers granted to it by the laws of Texas or by this Declaration. Without limiting the generality of the preceding sentences, the Association and the Board, acting on behalf of the Association, will have the following powers and authority:

(A) Rules and Bylaws. To make, establish and promulgate, and to amend or repeal and re-enact, such Rules and Association Bylaws, not in conflict with this Declaration, as it deems proper.

(B) Insurance. To obtain and maintain in effect policies of insurance which, in the opinion of the Board, are reasonably necessary or appropriate to carry out the Association's functions, including policies of liability and property damage insurance. Insurance premiums will be a common expense to be included in the Assessments levied by the Association.

(C) Records. To keep books and records of the Association's affairs.

(D) Assessments. To levy assessments as provided in Article VII.

(E) Right of Entry and Enforcement. To enter at any time in an emergency or, in a non-emergency, after 24 hours' written notice, without being liable to any Owner, upon any Lot and into any Improvement for the purpose of enforcing the Restrictions or maintaining or repairing any area, Improvement or other facility to conform to the Restrictions. The expense incurred by the Association in connection with entry upon any Lot and maintenance and repair work conducted thereon will be a personal obligation of the Owner of the Lot, constitute a lien upon the Lot and its Improvements, and be enforced in the same manner and to the same extent as provided in Article VII for regular and special assessments. The Association will have the power and authority, in its own name and on its own behalf or in the name of and on behalf of any consenting Owner, to commence and maintain actions and suits to enforce or restrain and enjoin any breach or threatened breach of the Restrictions. The Association is also authorized to settle claims, enforce liens and

take all action it deems necessary or expedient to enforce the Restrictions; however, the Board will never be authorized to expend any Association funds for the purpose of bringing suit against Declarant, its successors or assigns.

(F) Legal and Accounting Services. To retain and pay for legal and accounting services necessary or proper to the operation of the Association.

(G) Management Services. To retain and pay for management services necessary or proper to the operation of the Association.

(H) Taxes. To pay all real property taxes and other taxes and assessments levied upon any Common Area and Facilities.

5.05 Maintenance Responsibilities. The Association will be required to maintain all Common Area and Facilities conveyed to the Association by Declarant for operation and maintenance, as well as all streets and roadways within the Property that have been completed but not accepted by the appropriate governmental entity for maintenance. In addition, the Association will be authorized to landscape, maintain and repair easements, access easements, rights-of-way, median strips, sidewalks, paths, trails, detention ponds, and other areas of the Property, as appropriate.

5.06 Street Lighting. The Association will be required to pay for electrical service and for all other costs and expenses necessary to operate and maintain the street lights within the Property, until such time as such obligation is assumed by the appropriate governmental entity.

ARTICLE VI ARCHITECTURAL COMMITTEE

6.01 Membership of Architectural Committee. The Architectural Committee will consist of not more than 3 voting members ("Voting Members") appointed by Declarant and such additional nonvoting members serving in an advisory capacity ("Advisory Members") as the Architectural Committee deems appropriate. The initial members of the Architectural Committee will be Rodney L. Madden, Rogers D. Wilson and Edith Underwood.

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

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

6.04 Term. Each member of the Architectural Committee will hold office until he or she resigns or is removed and his or her successor is appointed.

6.05 Declarant's Rights of Appointment. Declarant, its successors or assigns, will have the right to appoint and remove all members of the Architectural Committee. Declarant may, at such time as Declarant, in its sole discretion, deems advisable, delegate this right to the Board by written instrument. Thereafter, the Board will have the right to appoint and remove all members of the Architectural Committee.

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

6.07 Review of Proposed Construction. Whenever in this Declaration the approval of the Architectural Committee is required, it will have the right to consider all of the Plans and Specifications for the Improvement or proposal in question and all other facts which, in its sole discretion, are relevant. Except as otherwise specifically provided herein, prior to the commencement of any construction of any Improvement on any portion of the Property, the Plans and Specifications therefor must be submitted to the Architectural Committee, and construction may not commence unless and until the Architectural Committee has approved such Plans and Specifications in writing. The Architectural Committee will consider and act upon any and all Plans and Specifications submitted for its approval under this Declaration, and perform other duties assigned to it by this Declaration or from time to time assigned to it by the Board, including the inspection of construction in progress to assure its conformance with approved Plans and Specifications. The Architectural Committee may review Plans and Specifications submitted for its review and such other information as it deems proper. Until receipt by the Architectural Committee of all information it deems necessary, it may postpone review of any Plans and Specifications submitted for approval. The decision of the Architectural Committee will be final and binding so long as made in good faith. The Architectural Committee will not be responsible for reviewing any proposed Improvement, nor will its approval of any Plans or Specifications be deemed approval, from the standpoint of structural safety, engineering soundness, or conformance with building or other codes.

6.08 Actions of the Architectural Committee. The Architectural Committee may, by resolution, unanimously adopted in writing, designate one or two of its members or an agent acting on its behalf to take any action or perform any duties on behalf of the Architectural Committee. In the absence of such designation, the vote of a majority of all of the members of the Architectural Committee taken without a meeting will constitute an act of the Architectural Committee.

6.09 Failure of Architectural Committee to Act. If the Architectural Committee fails to approve or disapprove any Plans or Specifications or to reject them as being inadequate within 30 days of submittal, it will be conclusively presumed that the Architectural Committee has approved such Plans and Specifications.

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

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

6.12 Nonliability of Architectural Committee Members. Neither the Architectural Committee nor the Board, nor any member thereof, will be liable to the Association, any Owner or any other person for any loss, damage or injury arising out of their being in any way connected with the performance of the Architectural Committee's or the Board's respective duties under this Declaration.

6.13 Address. Plans and Specifications may be submitted to the Architectural Committee in care of Rod Madden, 9130 Jollyville, #150, Austin, Texas 78759, or such other address as may be designated from time to time.