

DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS FOR SHADY HOLLOW,
SECTION 3/A PHASE 2 & 3

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THE STATE OF TEXAS :
COUNTY OF TRAVIS : KNOW ALL MEN BY THESE PRESENTS:

THAT WHEREAS, RANDY MORINE DEVELOPMENT, INC., a Texas Corporation,
hereinafter called the Declarant, the owner of all that certain property
located in Travis County, Texas, described as follows:

SHADY HOLLOW, Section 3/A 2 & 3 an Addition in Travis
County, Texas, according to the map or plat thereof, re-
corded in Book 80 Pages 62-63 and Book 80 Pages 64-65 of
the Plat Records of Travis County, Texas.

WHEREAS, the Declarant will convey the above described properties,
subject to certain protective covenants, conditions, restrictions, liens,
and charges as hereinafter set forth.

NOW, THEREFORE, it is hereby declared that all of the property des-
cribed above shall be held, sold, and conveyed subject to the following
easements, restrictions, covenants, and conditions, which are for the
purpose of protecting the value and desirability of, and which shall run
with, the real property and shall be binding on all parties having any
right, title, or interest in or to the above described property or any
part thereof, and their heirs, successors and assigns, and which ease-
ments, restrictions, covenants, and conditions shall inure to the benefit
of each owner thereof.

ARTICLE I
DEFINITIONS

Section 1. "Association" shall mean and refer to SHADY HOLLOW
HOMEOWNERS ASSOCIATION, INC., its successors and assigns.

REAL PROPERTY RECORDS
Travis County, Texas

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Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of the properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Property or Properties" shall mean and refer to that certain real property as described herein.

Section 4. "Common Areas" shall mean and refer to those areas of land shown on any recorded subdivision plat of the Properties and intended to be devoted to the common use and enjoyment of the Owners of the Properties.

Section 5. "Conservation Easement" shall mean and refer to those areas of land reflected on the lots within any recorded subdivision plat and intended to be devoted to conservation of the natural and traditional characteristics of the Property within the easement. Activity of whatever nature resulting in major alterations of the natural and traditional characteristics of the Property requires review and approval by the Architectural Control Committee, unless the activity is necessary to prevent damage to public health, welfare, and safety.

Section 6. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties, with the exception of the Common Areas.

Section 7. "Declarant" shall mean and refer to RANDY MORINE DEVELOPMENT INC., its successors and assigns, if such successors or assigns should acquire more than one (1) undeveloped Lot from the Declarant for the purpose of development.

Section 8. "Member" shall mean and refer to every person or entity who holds membership in the Association.

ARTICLE II

POWER IN DECLARANT

Section 1. Changes in Boundaries. The Declarant reserves the right to make such changes in the boundaries of Lots not sold to others and on the Common Areas as it deems advisable, provided that such changes shall not unreasonably or substantially adversely affect the boundaries or the beneficial use and enjoyment of any Lot then owned by persons other than the Declarant, and provided that Declarant complies with all provisions of any applicable law or ordinance.

Section 2. Adding and Removing Property Owned by Declarant. Declarant reserves and shall at all times have the right to add to or remove from the provisions of this Declaration, or to plat or replat the boundaries or dimensions of any Lot or other Property owned by Declarant, and may increase or decrease or change the size, shape, or dimensions of any lot or other Property owned by Declarant, subject to maintaining the maximum number of Lots in Section 3/A 2 & 3 as reflected on the plat; and may designate the Lots or other Property owned by Declarant which shall and shall not be entitled to the use and enjoyment of any of the Common Areas and other privileges, subject to the obligations of this Declaration of Covenants, Conditions, and Restrictions.

ARTICLE III

PROPERTY RIGHTS IN THE COMMON AREAS

Section 1. Owner's Easements of Enjoyment. Every owner shall have the right and the easement of enjoyment in and to the

Common Areas which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) the right of the Declarant, Association or other authorized entity to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Areas;

(b) the right of the Association to suspend the voting rights and right to use of the recreational facilities by an Owner for any period during which any assessment against his Lot remains unpaid, and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;

(c) the right of the Declarant or Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of the Association members agreeing to such dedication or transfer has been executed and recorded;

(d) the right of the Declarant or the Association, in accordance with its Articles of Incorporation and Bylaws or another authorized entity, to borrow money for the purpose of improving the Common Areas and facilities and, in aid thereof, to mortgage said Common Areas and the rights of such mortgage in such Common Areas shall be subordinate to the rights of the homeowners hereunder.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the Bylaws, his right of enjoyment to the Common Areas and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

Section 3. Owners' Use. Owners' use of their Lots and the Common Areas are subject to the provisions of the articles

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herein regarding common scheme restrictions, architectural control, exterior maintenance, and all other articles herein.

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner of a Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. The Association shall have two (2) classes of voting membership:

Plan II. Plan II membership shall be mandatory for all residents. Members shall be entitled to one (1) vote for each Lot owned. Plan II members will be entitled to use all recreational facilities, including the swimming pool, in the Common Areas. Declarant shall establish the annual dollar assessments. Thereafter, annual assessments may be increased by the Board of Directors of the Association up to seven (7%) percent per year automatically. Annual assessments above this amount will require a vote of two-thirds (2/3) of the Plan II members. Plan II membership dues shall be paid to Declarant until the amenities package is completed and decided by Declarant. Until the recreational facilities are completed and operational, Plan II members shall pay Plan III dues.

Plan III. Plan III membership shall be all persons, excluding Developer, owning unimproved Lots. These members shall pay ONE AND NO/100 (\$1.00) DOLLAR per month, per Lot, until the house is constructed and sold and shall have no voting rights. However, no single builder shall be required to pay in excess of TWENTY FIVE AND NO/100 (\$25.00) DOLLARS per month.

Section 3. Notwithstanding the above, Declarant and/or the Board of Directors of the Association reserve the right to establish annual assessments prior to the completion and commencement of day to day operations of the swimming pool.

Section 4. When more than one (1) person, with the exception of Declarant, holds an interest in a Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

Section 5. Declarant shall institute mandatory Plan II membership for all future sections developed.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. Each Owner of any Lot, by acceptance of a deed to each Lot, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association:

(a) monthly assessments or charges, and
(b) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided.

(c) The monthly and special assessments, together with interest, costs, and reasonable attorneys' fees shall, to the full extent permitted by law, be a charge on the land and shall be a continuing lien upon the Property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorneys' fees shall also be the personal obligation of the person who was the Owner of such Property at the time when the assessment fell due.

Section 2. Purpose of Monthly Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Properties, and for the improvement and maintenance of the Common Areas.

Section 3. Purpose of Special Assessments for Capital Improvements. In addition to the monthly assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, or replacement of a capital

improvement upon the Common Areas, including fixtures and personal property related thereto, provided that any such assessment shall have the assent evidenced by signatures on an appropriate resolution, of two-thirds (2/3) of the members who are voting in person or by written proxy at a special meeting duly called for this purpose.

Section 4. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots, and may be collected on a monthly basis.

Section 5. Date of Commencement of Annual Assessments: The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of a Lot by the Developer. This first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot, subject to the limitations in Article IV, Section 2 and Section 3 herein, at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be annual unless otherwise established by the Board of Directors. The Association shall, upon demand and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid.

Section 6. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid on the date when due shall be immediately delinquent and shall, together with such interest and cost of collection as is hereinafter provided, immediately become a continuing lien on the Property which shall, to the full extent permitted by law, bind such property in the hands of the then Owner, his heirs, devisees, personal representative, successors and assigns.

If the assessment is not paid within thirty (30) days after the due (delinquent) date, the assessment shall bear interest from the due (delinquent) date at the rate of ten (10%) percent per annum, and the Association may accelerate and declare immediately due and payable the next eleven (11) ensuing monthly assessments and may either

- (a) bring a personal action at law against the Owner obligated to pay the same, or
- (b) foreclose the lien against the property, or
- (c) both;

in any event, there shall be added to the amount of such assessment interest as provided and all costs of collection, including reasonable attorneys' fees. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Areas or abandonment of his Lot.

Section 7. Subordination of the Lien to Mortgagees.

The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof shall extinguish the lien of such assessments as to payments which became due, prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof. No extinguishment of the lien shall relieve the delinquent Lot Owner from his personal obligation and liability therefor.

Section 8. Exempt Property. The following property subject to this Declaration shall be exempt from the assessments, charges, and liens created herein:

- (a) All property dedicated and accepted by any governmental entity or political subdivision and/or used for public use;

(b) All Common Areas as defined in Article I, Section 4 hereof;

(c) All additional Common Areas which may be acquired through annexation.

Section 9. No diminution or abatement of assessments shall be allowed or claimed for inconveniences or discomfort arising from the making of repairs or improvements to the Common Areas or Lots, or from any action taken to comply with any law, ordinance, or order of a governmental entity or political subdivision.

ARTICLE VI

ARCHITECTURAL CONTROL

Section 1. Architectural Control Committees will be established on a section by section basis. Each Section's Architectural Control Committee shall be composed of a minimum of three (3) members. However, in all cases, one of the three (3) members of each Section's initial Architectural Control Committee will be a homeowner in SHADY HOLLOW Addition nominated by the officers of the Association from an adjacent developed section within Shady Hollow, and approved by Declarant. Upon the sale of twenty (20) of the houses in each new section, the Declarant will replace the original neighborhood representative with a homeowner in that section to serve on the Architectural Control Committee from a list of nominees furnished by the officers of the Association and approved by Declarant as one of the three (3) members of the Architectural Control Committee. Upon the completion and sale of ninety (90) percent of the homes in a section, the homeowners of that section shall elect the remaining two (2) members of that section's Architectural Control Committee. Thereafter, the Declarant waives all rights to terminate or assign responsibilities in regard to the Architectural Control Committee and to finish its responsibility.

In reference to the above appointment to Architectural Control Committees, the Association will also designate an alternate representative to serve as a substitute member when the designated representative is unable to attend meetings. The alternate representative will be nominated by the officers of the Association and, until the sale of ninety (90%) percent of the homes in a Section, must also be approved by Declarant. The Architectural Control Committee will take no action until after all members, or their designated alternates, are appointed.

Section 2. Approval of Plans and Specifications. No building, fence, pool, wall, or other structure shall be commenced, erected, or maintained upon the Properties, nor shall any exterior addition to, or change or alteration therein, be made, nor shall any site grading plan or overall landscape plan be undertaken until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same and any effect such changes will cause to the drainage of the lot shall have to be submitted to, and unanimously approved in writing by, the Architectural Control Committee as to restrictions of design and to location in relation to surrounding structures and topography. In the event the Architectural Control Committee rejects plans, the rejection must be in writing setting out why the plans are denied and specifically stating remedies required to bring the plans into full compliance. The plans must be approved after the applicant implements the stated remedies.

Section 3. A minimum of two (2) members of the Architectural Control Committee must be present to constitute a quorum before accepting or rejecting plans. Developer shall give Association members of the committee at least ten (10) days written notice of any committee meeting.

Section 4. Failure of Committee to Act. In the event that any plans and specifications are submitted to the Architectural Control Committee as provided herein, and such Committee shall fail either to unanimously approve or reject such plans and specifications for a period of ten (10) days following such submission, approval by the Committee shall not be required, and full compliance with this article shall be deemed to have been met.

Section 5. Records. The Association shall maintain permanent written records of all Architectural Control Committee actions. These records will be available for inspection at reasonable times upon request.

ARTICLE VII

MAINTENANCE BY AND SERVICES OF THE ASSOCIATION

Section 1. Common Areas. The Association shall maintain the lands and improvements of all Common Areas as provided in this Declaration.

Section 2. Easement. The Association is hereby granted a reasonable easement of use and right of way on all Lots adjacent to the common areas in order to maintain the lands and improvements of all Common Areas, and entry on a Lot for such purpose shall not be deemed trespass.

Section 3. Willful or Negligent Acts. In the event that the need for maintenance or repair to the common areas is caused through the willful or negligent act of any Owner, his family, guests, or invitees, the Association shall add the cost of such maintenance or repairs, as a special assessment, to the normal assessment of such Owner.

ARTICLE VIII

LAND USE CLASSIFICATIONS PERMITTED USES AND RESTRICTIONS

For and in consideration of the mutual benefits to the Declarant and future Owners of Lots in SUNDY HOLLOW, the

following restrictions are hereby imposed on SHADY HOLLOW Addition.

Section 1. General Restriction. The Lots shall be used solely for private single family residential purposes and there shall not be constructed or maintained thereon more than one (1) single family residence with a minimum of two (2) and a maximum of four (4) car garages only. No Lot may be used as an apartment house, double house, flat, lodging house, hotel or for any business purpose.

Section 2. Minimum Floor Area and Exterior Walls. Any single family dwelling constructed on said Lots must have a totally heated and air conditioned floor area of not less than one thousand four hundred (1,400) square feet for a one (1) story residence, and one thousand eight hundred (1,800) square feet for a two (2) story residence, exclusive of open or screened porches, terraces, patios, driveways, and garages, unless adjusted or waived by the unanimous consent of the Architectural Control Committee. All exterior ground floor walls, including garage walls of the dwellings in the subdivision shall consist of not less than fifty (50) percent masonry construction unless adjusted or waived by the unanimous consent of the Architectural Control Committee. All roofs of the dwellings in the subdivision shall be constructed of shingles composed of wood, tile, slate or composition shingles of not less than two hundred thirty-five pounds unless, in the opinion of the Architectural Control Committee, some other building material of comparable quality would be more suitable.

Section 3. Setbacks. No building shall encroach beyond the building setback lines as shown on the recorded plat and all side or rear lot lines shall be not less than (5) feet unless adjusted

or waived by the unanimous consent of the Architectural Control Committee. For the purpose of this covenant, eaves, steps, sidewalks, and driveways shall not be considered as a part of the building; provided, however, that this shall not be construed to permit any portion of the building on any Lot to encroach upon another Lot.

Section 4. Noxious or Offensive Activities Prohibited.

No property within SHADY HOLLOW shall be used for any noxious activity and nothing shall be done or permitted to be done on any of said Property which is a nuisance or might become a nuisance to the owner or owners of any of such said Property. Nuisance means any type of conduct, action and non-action which has been declared by statute or ordinance to be a nuisance or any conduct, action, or non-action when taken together is of such concentration and of such duration as may tend to be injurious to, or to interfere with, or to adversely affect human health or the use and enjoyment of the property.

Section 5. Prohibited Residential Uses. No structure of a temporary character, trailer, mobile home, recreational vehicle, basement, tent, shack, garage, storage building or other outbuilding shall be used on any Lot at any time as a residence, either temporarily or permanently. Storage buildings may be kept only on lots having a six-foot privacy fence and shall not be visible from the street. The height of the storage building shall not exceed the height of the privacy fence by more than six inches.

Section 6. Signs. No signs of any character shall be allowed on any Lot except one (1) sign of not more than five (5) square feet advertising the Property for sale or rent; however, that Declarant and any other person or entity engaged in the construction and sale of residences within the subdivision shall have the right, during the construction and

sales period, to construct and maintain signs provided such sign's style, size and design are approved by the Architectural Committee.

After all the lots have been sold and houses constructed thereon, no signs shall be permitted except the above-mentioned "property for sale or property for rent" signs without the specific written approval of the Architectural Committee.

Section 7. Oil Development Prohibited. No oil well drilling, oil development operations, oil refining, quarrying, or mining operations of any kind shall be permitted on a Lot, nor shall oil wells, tanks, tunnels, mineral excavations, or shafts be permitted on any Lot. No derrick or other structure designed for use in boring for oil, natural gas, or other minerals shall be erected, maintained, or permitted on any Lot.

Section 8. Rubbish, Trash and Garbage. No Lot shall be used or maintained as a dumping ground for rubbish or trash, and no garbage or other waste shall be kept except in sanitary containers of the standard type. In no event shall such containers be maintained so as to be visible from neighboring property, except to make the same available for collection. All incinerators, or other equipment for the storage and disposal of such materials, shall be kept in a clean and sanitary condition.

Section 9. Animals. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any Lot except that dogs, cats, or other household pets may be kept, provided that they are not kept, bred, or maintained for any commercial purpose. No more than a total of four (4) dogs and/or cats over the age of six (6) months shall be kept on or at a single residential premises. All dogs must be under active restraint when off of the premises of the owner.

Section 10. Fences, Walls, and Utility Meters. No fence, wall, or utility meter shall be placed or permitted to remain on any Lot nearer to the street or streets adjoining such Lot than is permitted for the main residence on such Lot, except for decorative subdivision entry fences. No barbed wire, wire or "chain link" fence shall be permitted along any Lot within the subdivision. However, chain length fences for domestic animals will be permitted if completely enclosed by a privacy fence and not placed within the setback line on any side of the Lot. All other fences permitted shall be of a standard size of no less than six (6) feet in height nor greater than ten (10) feet in height.

Section 11. Shrubs and Trees. No shrub or tree planting which obstructs sight lines at elevations between two (2) and six (6) feet above the roadway shall be planted or permitted to remain on any corner Lot within the triangular area formed by the curblines of such intersecting streets and a line connecting such curbline at points twenty five (25) feet from their intersection or, in the case of a rounded corner, from the intersection of the curblines as extended. The same sight line limitations shall apply on any Lot within ten (10) feet of the intersection of a street curbline and the edge of a driveway or alley. No trees shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at a height of more than six (6) feet above ground level.

Section 12. Trucks, Buses, Automobiles and Trailers. No truck, bus, or trailer shall be left parked in the street in front of any Lot except for construction and repair equipment while a residence or residences are being built or repaired in the immediate vicinity; and no truck, bus, boat, trailer or recreational vehicle shall be parked on the driveway or any portion of the Lot unless enclosed by a privacy

fence as defined in Article VIII, Section 10. No abandoned automobile, or automobile without a current inspection sticker or license plates, shall be permitted to remain on any Lot or in front of any Lot.

For purposes of this section,

. . . An inoperable vehicle is any motor vehicle which for a period of time in excess of seventy two (72) hours:

a. Has no license plates or has license plates which have been expired for more than ninety (90) days; or,

b. Has no motor vehicle safety inspection sticker or has a motor vehicle inspection safety sticker which has been expired for more than ninety (90) days; or,

c. Cannot be started, driven, operated, steered and stopped, legally under the laws of the State of Texas in a public right-of-way, under its own power and without causing damage to the vehicle, because of mechanical failure, breakdown, or because it has been wrecked, dismantled, or partially dismantled.

Provided, however, that a vehicle shall not be considered inoperable where a maximum total of two (2) vehicles owned by the occupant(s) of a residence are under repair for a period of time not to exceed sixty (60) days. In addition, no vehicle shall be considered inoperable where a maximum total of two (2) such vehicles are stored at the owner's place of residence as an antique or recreational vehicle; furthermore, provided, however, that all such antique or recreational vehicles and any related outdoor storage area(s) are maintained in such a manner that they do not constitute a health hazard or an attractive nuisance and are screened from ordinary public view in an enclosed building or by means of a privacy fence.

The maximum number of vehicles allowed per household shall be four (4), or one (1) per licensed driver whichever is greater. Parking of all vehicles shall be restricted to street frontage, driveways, garages, and fence enclosed yard areas.

Section 13. Prohibited Activities. No professional, business, or commercial activity to which the general public is invited shall be conducted on any Lot, except for the construction and maintenance of any model homes or sales

offices in connection with the initial construction and sale of houses in the subdivision.

Section 14. Adjustment or Waiver. Any adjustment or waiver of these covenants, conditions, and restrictions by the Architectural Control Committee is for the purpose of alleviating any hardships and assisting in the orderly development of the subdivision.

Section 15. Improvements and Alterations. No improvements, alterations, repairs, excavations, or other work which in any way alters the exterior appearance of any Lot within SHADY HOLLOW, or the improvements located thereon, from its natural or improved state existing on the date such Lot was first conveyed in fee by Declarant shall be made or done without the prior approval of the Architectural Control Committee, except as otherwise expressly provided in this Declaration. No building or other structure shall be commenced, erected, maintained, improved, altered, made or done without the prior written approval of the Architectural Control Committee or any committee established by the Architectural Control Committee for the purpose.

Section 16. Maintenance of Lawns and Plantings. Each Owner of a Lot within SHADY HOLLOW shall keep all shrubs, trees, grass and plantings of every kind on his Property, including setback areas, planted areas between adjacent sidewalks and street curb, if any, and any other area located between the boundary line of his Property and the street or other Property (public or private) on which such Owner's Property abuts, neatly trimmed, properly cultivated, and free of trash, weeds and other unsightly material; provided, however, that such Owner shall not be responsible for maintenance of any other area as to which Declarant or the Association has assumed the responsibility. In the event any dwelling remains vacant for a period of forty five (45) days, Declarant

or the Association or its authorized agents shall have the right at any reasonable time to enter upon any such Lot of Owner to plant, replace, maintain, and cultivate shrubs, trees, grass, or other plantings located therein (at cost to the Owner).

Section 17. Restriction on Further Subdivision. No Lot in SHADY HOLLOW may be further subdivided into two(2) or more smaller lots or parcels for the purpose of increasing density. However, lot lines and easements may be altered in the event an owner of two properties wishes to dissolve a lot line in order to increase the size of the residence lot, and in addition, easements and lot lines may be abandoned and relocated by mutual consent of two adjoining lot owners provided that additional lots are not created. All alterations of lot lines or easement boundaries must comply with state and local rules and regulations.

Section 18. Access to Easement. All easements for the installation and maintenance of utilities and drainage facilities are reserved as shown on the plat recorded in Volume 80 Page 62-63 and Page 64-65 of the Plat Records of Travis County, Texas. No shrubbery, fence or other obstruction shall be placed in any easement. Right of use for ingress and egress shall be had at all times over any dedicated easement for the installation, operation, maintenance, repair or removal of any utility, together with the right to remove any obstruction that may be placed in such easement which would constitute interference with the use, maintenance, operation or installation of such utility.

Section 19. Declarant's Exemption. Nothing contained in this Declaration shall be construed to prevent the erection or maintenance by Declarant or its duly authorized agents or structures, improvements, or signs of convenient to the development, identification, or sale of property.

within SHADY HOLLOW. Declarant will give the Association Board of Directors prior notice of implementation under this Section.

ARTICLE IX

PERMITTED USES AND RESTRICTIONS
COMMON AREAS

Section 1. Maintenance by Association. The Association may at any time, as to any Common Areas conveyed, leased, or transferred to it or otherwise placed under its jurisdiction, with approval of the Owners being required:

(a) Reconstruct, repair, replace or refinish any improvement or portion thereof upon any such area (to the extent that such work is not done by a governmental entity, if any, responsible for the maintenance and upkeep of such area) in accordance with

(i) the last plans thereof approved by the Board of Directors,

(ii) the original plans for the improvement as same existed.

(b) Construct, reconstruct, repair, replace or refinish any road improvement or surface upon any portion of such area used as a road, street, walk, driveway, parking area, and waterfront facilities.

(c) Replace injured and diseased trees or other vegetation in any such area, and plant trees, shrubs and ground cover for the conservation of water and soil and for aesthetic purposes.

Section 2. Damage or Destruction of Common Areas by Owners.

In the event any Common Area is willfully damaged or destroyed by an Owner or any of his guests, tenants, licensees, agents, or members of his family, such Owner does hereby authorize the Association to repair said damaged area, and the Association shall so repair said damaged area in a good workmanlike manner

in conformance with the original plans and specifications of the area involved, or as the area may have been modified or altered subsequently by the Association, in the discretion of the Association. The cost of repair shall be paid by the Owner, upon demand, to the Association and the Association may enforce collection of same in the manner provided in this Declaration for collection and enforcement of assessments.

Section 3. Extent of Members' Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

(a) the right of the Declarant, the Association, or any other Authorized Entity in accordance with its Articles and Bylaws, to borrow money for the purpose of improving the Common Areas and, in aid thereof, to mortgage said Properties. In the event of a default upon any such mortgage, the lender's right hereunder shall be limited to a right, after taking possession of such Properties, to charge admission and other fees as a condition to continued enjoyment by the members and, if necessary, to open the enjoyment of such Properties to a wider public until the mortgage debt is satisfied, whereupon the possession of such Properties shall be returned to the Association and all rights of the members hereunder shall be fully restored; and

(b) the right of the Declarant or Association to take such steps as are reasonably necessary to protect the above described Properties against foreclosure; and

(c) the right of the Declarant or Association, as provided in its Articles and Bylaws, to suspend the enjoyment rights of any member for any period during which any assessment remains unpaid, and for any period not to exceed thirty (30) days from any infraction of its rules and regulations; and

(d) the right of the Declarant or Association to charge reasonable admission and other fees for the use of the Common Areas; and

(e) the right of the Declarant or Association to dedicate or transfer all or any part of the Common Properties to any public agency, authority, or utility.

ARTICLE X

GENERAL PROVISIONS

Section 1. Enforcement. The Association or any Owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions, which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. The Declaration may be amended by the written consent of two-thirds (2/3) of the Lot Owners present and voting, either in person or by written proxy. Amendments must be recorded.

Section 4. Annexation. Additional residential Property and Common Areas may be annexed to the Properties with the consent of two-thirds (2/3) of Lot Owners present and voting, either in person or by written proxy of each class of members.

Section 5. Violations and Nuisance. Every act or omission whereby any provision of this Declaration is violated in whole or in part is hereby declared to be a nuisance and may be enjoined or abated, whether or not the relief sought is for negative or affirmative action, by Declarant, Property Owners, the Association, the Board of Directors, or the duly authorized agents of any of them.

Section 6. Violation of Law. Any violation of any state, municipal, or local law, ordinance or regulation, pertaining to the ownership, occupation or use of any Property within SHADY HOLLOW is hereby declared to be a violation of SHADY HOLLOW Restrictions and subject to any or all of the enforcement procedures set forth in said restrictions.

Section 7. Remedies Cumulative. Each remedy provided by SHADY HOLLOW Restrictions is cumulative and not exclusive.

Section 8. Delivery of Notices and Documents. Any written notice or other documents relating to or required by SHADY HOLLOW Restrictions may be delivered either personally or by mail. If by mail, it shall be deemed to have been delivered twenty four (24) hours after a copy of same has been deposited in the United States Mail, postage prepaid.

Section 9. The Declaration. By acceptance of a deed or by acquiring any ownership interest in any of the real property included within this Declaration, each person or entity, for himself, itself, his heirs, personal representatives, successors, transferees and assigns, binds himself, his heirs, personal representatives, successors, transferees and assigns to all of the provisions, restrictions, covenants, conditions, rules and regulations now or hereafter imposed by this Declaration and any amendments thereof. In addition, each such person by so doing thereby acknowledges that this Declaration sets forth a general scheme for the improvements and development of the real property covered thereby.

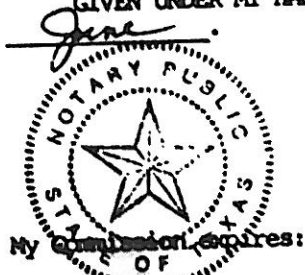
IN WITNESS WHEREOF, the undersigned, by the declarant, has executed these covenants, conditions and restrictions for Shady Hollow Section 3/A 2 & 3 on this the 20th day of June 1985

By [Signature]
Randy Morine, President
Declarant

THE STATE OF TEXAS :
COUNTY OF TRAVIS :

BEFORE ME, the undersigned authority, on this day personally appeared Randy C. Morine, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, as the act and deed of Randy Morine Builder, Inc. and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 20 day of



NOTARY SEAL

[Signature]
Notary Public, Travis County

Linda Graham
My Commission Expires
10-01-85

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

Return to
LEWIS DARRBYSHIRE
RANDY MORINE DEVELOPMENTS
4701 SPICEWOOD SPRINGS RD
AUSTIN TX 78759

JUL 9 1985



[Signature]
COUNTY CLERK
TRAVIS COUNTY, TEXAS

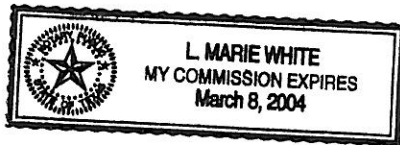
FILED
JUL 8 8 33 AM '85
Davis Arpaian
COUNTY CLERK
TRAVIS COUNTY, TEXAS

00242 0907

THE STATE OF TEXAS §
COUNTY OF TRAVIS §

This instrument was acknowledged before me on the 27 day of March, 2000, by Chris Vorstan, Secretary of the Shady Hollow Homeowners Association, Inc., a Texas non-profit corporation, on behalf of said corporation.

(SEAL)



L. Marie White
Notary Public Signature

AFTER RECORDING RETURN TO:

Robert D. Burton
Armbrust Brown & Davis, L.L.P.
100 Congress Avenue, Suite 1300
Austin, Texas 78701

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS

[Signature]
10-31-2000 02:18 PM 2000174860
DAVID AM 510.00
DANA DEBEAUVOIR, COUNTY CLERK
TRAVIS COUNTY, TEXAS