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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THE STATE OF TEXAS §
COUNTY OF AUSTIN §

KNOW ALL MEN BY THESE PRESENTS:

DECLARATION OF RESTRICTIONS AND PROTECTIVE COVENANTS APPLICABLE TO SYCAMORE HILL

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS ("the Restrictions") is made by LAND OF OAKS DEVELOPMENT LLC (Developer).

WHEREAS, Developer is the owner of the 155.521 acres of land subdivided into 27 Lots known as Sycamore Hill ("the Property") more particularly described in the plat thereof filed on September 13, 2010 and recorded in Plat Cabinet No. 2, Page 72 in the Plat Records of Austin County, Texas, Austin County Clerk File No. 103521.

WHEREAS, Developer desires to impose upon the Property the covenants, conditions and restrictions herein set forth.

NOW, THEREFORE, Developer hereby declares that the Property 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 constitute covenants running with the land, and which shall be binding on all parties having any right, title or interest in the Property or any part thereof, their respective heirs, personal representatives, successors and assigns, and shall inure to the benefit of each owner thereof and the Developer.

ARTICLE I
DEFINITIONS

- Section 1.** "Association" shall mean and refer to the Sycamore Hill Property Owners' Association, its successors and assigns.
- Section 2.** "Owner" or "Owners" shall mean and refer to the record owner(s) of a fee simple title to any Lot out of the Property, but excluding those having such interest merely as security for the performance of an obligation.
- Section 3.** "Property" shall mean and refer to Sycamore Hill hereinabove described and such additions that may be annexed to Unnamed.
- Section 4.** "Lot" shall mean and refer to any parcel or plat of land out of the Property and/or shown upon any recorded subdivision plat of the Property.
- Section 5.** "Developer" shall mean and refer to Land of Oaks Development LLC and its successors or assigns.
- Section 6.** "Main Roads" shall mean Hillview Road and Old Highway 36 Road as shown on the recorded subdivision map of the Property.
- Section 7.** "Park" shall mean the Sycamore Hill Park consisting of 36.43 acres as shown on the Subdivision Plat.

ARTICLE II
USE RESTRICTIONS AND CONSTRUCTION OF IMPROVEMENTS

Section 1. **Architectural Review.** No buildings or improvements of any character shall be erected or placed or the erection thereof begun, or changes made in the design thereof after original construction, on any Lot until the construction plans and specifications and a site plan showing the location of the structure or improvements have been submitted to and approved, in writing, by the Architectural Review Committee (ARC), as to compliance with these Restrictions. The ARC's review of style, materials or colors of homes, barns and accessory buildings is limited to those matters specifically described in the Restrictions or reasonably inferred from these Restrictions. The ARC shall review setbacks and placement of driveways, ponds and buildings.

The ARC shall consist of owners and managers of Land of Oaks Development LLC and/or their appointees until such time that 70% of lots have been sold. After 70% of lots have been sold the Sycamore Hill Property Owners' Association, the "Association," shall elect an architectural review committee to consist of at least three persons who shall review all plans for improvements to determine whether the plans are in accordance with the Restrictions.

The ARC and the individual members thereof shall not be liable for any act or omission in performing the functions delegated hereunder. In the event the ARC fails to indicate its approval or disapproval within sixty (60) days after the receipt of the required documents, approval will not be required; however, the property owner, to the best of their ability, shall comply with all deed restrictions as stated herein.

The approval or lack of disapproval, by the ARC shall not be deemed to constitute any warranty or representation by the ARC including, without limitation, any warranty or representation relating to fitness, design or adequacy of the proposed construction or compliance with applicable statutes, codes and regulations. The Association may charge a reasonable fee not to exceed the sum of \$250.00 to review plans and specifications for improvements.

Section 2. **Construction of Improvements.** Each Lot shall be used only for single-family residence purposes and improvements for agricultural or wildlife use as defined hereafter. All improvements must be reviewed by the ARC to determine whether the plans are in accordance with the Restrictions.

2.01 **Main Residence.** The main residence shall be a single-family residential dwelling and other structures (including guest houses or servants' quarters). All other structures shall not exceed the main residence in height. The design of garages and guest quarters shall be consistent with the main residence. The front of the main residence shall face Hillview Road.

2.02 **Minimum Square Footage.** The living area of the main residential structure (exclusive of outbuildings, guest houses, porches, garages and servants' quarters) shall have a minimum square footage as follows:
a. not less than two thousand (2,000) square feet for a single-story home,

- b. not less than two thousand (2,000) square feet for a 1 1/2 story home, with at least 1,500 square feet of living area located on the first floor.
- c. not less than two thousand two hundred (2,200) square feet for a two-story home, with at least 1,100 square feet of living area located on the first floor.
- d. Not less than two thousand square feet of living area for all other styles of homes.

2.03 **Garages.** A residence shall have a minimum of a two-car enclosed garage, either attached or detached. All garages must be side or rear entry and not face any road, except garages that are blocked from view from all roads and all Lots within the subdivision.

Carports are prohibited unless placed behind the main residence such that they cannot be viewed from the Main Roads. A porte cochere attached to the main residence is allowed so long as it is constructed of the same materials as the main residence and has a similar appearance to the main residence.

2.04 **Construction Timeframe.** Construction of the main residence may begin at any time after the Lot Owner has closed on the purchase of the Lot and has obtained approval from the ARC. Construction of the main residence and required minimum two-car garage must be completed within 18 months of beginning construction. The exterior of the main residence and garage must have a finished appearance within 6 months of beginning construction.

2.05 **Roofs.** Roofing materials for all buildings (including garage, guest quarters and all outbuildings) shall be new and designed and manufactured specifically for roofs. Wood or wood shingle roofs and metal roofs not treated to prevent rust are prohibited on all buildings. The roof pitch of the main residence, garage and guest quarters must be 6:12 or greater. Tile roofs may have a pitch less than 6:12.

2.06 **Barns and Outbuildings.** Barns, sheds, storage buildings, swimming pools, and other structures for agricultural, recreational or for any other use are to be constructed at least fifty feet (50') behind the rear wall of the main residence. Construction on all outbuildings defined above must be started after construction of the main residence has begun. All outbuildings shall be sided in materials that are earth tone in color such that they will blend with the natural flora, including such colors as green, dark red, brown or gray. No outbuilding shall be sided in unpainted metal siding or sided in bright colors such as bright red, blue or yellow. Buildings used for accessory or storage purposes shall be limited to not more than forty-five feet (45') in height.

2.07 **Living Quarters Within a Barn.** A home site may have a guest house or guest quarters located within a barn. The guest quarters and/or barn must be built at the same time or after the main residence has been constructed.

2.08 **Propane Tanks.** If propane tanks are installed, they must be installed behind the front line of the main residence and shall be obstructed from view from the Main Roads and from all other Lots through use of shrubbery or

fencing made of wood or masonry. Underground installation is permissible anywhere on the lot that is not within a required setback.

- 2.09 **Manufactured Housing.** Manufactured and/or modular homes and recreational vehicles for use as a primary residence are strictly prohibited. No manufactured housing, including mobile homes, trailers, motor homes, recreational vehicles, or doublewides are permitted on property unless stored within an enclosed building such that they are not visible from the road or neighboring properties.
- 2.10 **Houses Moved to Property.** No houses or barns may be moved to a property to be used as a main residence, guest quarters, barn or other outbuilding.
- 2.11 **Exterior Materials.** The exterior materials of the main residential structure and any attached garage, guest houses, and servants' quarters shall be constructed of masonry (including brick or rock), stucco, log, hardiplank, cedar, or other wood siding.
- 2.12 **Exterior Colors.** The following colors shall be prohibited from use on the exterior: pink, coral, purple, bright blue, bright yellow-green, bright blue-green, bright yellow, bright orange and bright red. Exterior colors shall be reviewed by the ARC prior to painting or staining to determine whether the colors are allowable.
- 2.13 **Driveways.** No construction of any improvements shall begin until a driveway crossing to the Main Road is constructed. Driveways shall be gravel, blacktop, asphalt and chip, paving stones, or concrete. The ARC may allow similar driveway materials. There shall be no dirt driveways. No property shall have access onto Old Highway 36. Driveways shall be constructed no closer than forty feet (40') to any side boundary.
- 2.14 **Utility Lines.** All utility service lines, including but not limited to electric, telephone and TV must be installed underground.

Section 3. **Location of the Improvements on the Lot.** No building or other improvements shall be located on any Lot nearer than:

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 18, 19, 20, 21, 22, 23, 24, 25, 26, and 27:

- a. one hundred feet (100') from Hillview Road ROW and one hundred (100') from the Old Highway 36 ROW, and
- b. fifty feet (50') to the side or rear Lot line.

In order to protect neighbors' views of the lake and park area, lots near the lake have deeper setbacks from Hillview Road, as follows:

Lots 11 and 17:

- a. one hundred fifty feet (150') from Hillview Road ROW, and
- b. fifty feet (50') to the side or rear Lot line.

Lots 12 and 16:

- a. two hundred feet (200') from Hillview Road ROW, and
- b. fifty feet (50') to the side or rear Lot line.

Lots 13 and 14:

- a. two hundred fifty feet (250') from Hillview Road ROW, and
- b. fifty feet (50') to the side or rear Lot line.

Lot 15:

- a. two hundred fifty feet (250') from Hillview Road ROW, and
- b. fifty feet (50') to the side adjacent to Lot 16 or rear Lot line, and
- c. one hundred feet (100') from side adjacent to Sycamore Hill Park.

Section 4. **Composite Building Site.** Any Owner of one or more adjoining Lots may consolidate such Lots into one single-family residence building site with the privilege of placing or constructing improvements on such composite building site, in which case setback lines shall be measured from the resulting combined Lot lines rather than from the singular Lot lines. Setbacks of combined contiguous Lots with different setbacks from the Road must be maintained as if the Lots were not combined.

A Lot Owner, who owns two or more contiguous Lots, may combine said Lots to form one Lot. However, the Owner of combined contiguous Lots may transfer one of the Lots only if no buildings are constructed within the setbacks, as defined herein, of any of the contiguous Lots.

Section 5. **Easements.**

- 5.01 As shown on the recorded plat, easements for installation and maintenance of utilities are reserved (or will be reserved) by Developer, and no structure of any kind shall be erected upon any of said easements.
- 5.02 As shown on the recorded plat, the easements for the Main Roads are wider than the actual paved surface of the Main Roads. The Main Roads shall be constructed according to plans and specifications approved by Austin County, Texas, for maintenance by Austin County, Texas. However, each Lot Owner shall be solely responsible for the maintenance of any driveways from a Main Road to the Lot from that point where such driveways tie into the Main Road.
- 5.03 The Association will record easements allowing access to the areas requiring maintenance listed in Article IV, Section 1. The Association has the right to access the Main Road Fence within the recorded Utility Easement that extends 15 feet into each Lot from the County Right-of-way in order to repair and maintain the Main Road Fence.

Section 6. Use Restrictions.

6.01 **Commercial Activity.** No retail, industrial, manufacturing, business, multifamily office building, or mixed use commercial activity is permitted on any Lot. Noxious or offensive activities of any sort including loud noises or anything done on any Lot that may be or become an annoyance or a nuisance to the neighborhood shall not be permitted. The Association has the power to establish rules that more fully define which activities constitute a "nuisance," provided that the rules are applied equally to all Lots and are not enforced in an arbitrary or capricious manner.

6.02 **Home-based Businesses.** Businesses and business activities not specifically excluded elsewhere in this instrument which involve use of office space which does not exceed one thousand (1000) square feet of space in either residence, garage or other building and which involve no direct on-site sales are permitted. Home-based businesses are not permitted to have deliveries from or to the business using semi trucks or trailers.

6.03 **Signs.** Signs on the Property are prohibited, with the following exceptions:

Signs advertising the banks and construction companies involved in the construction of improvements are allowed during the construction phase. Signs advertising a property for sale or lease are also permissible. No sign may exceed six square feet or extend higher than four feet above the ground and no sign shall be illuminated. No more than three signs shall be installed on the property at any single point in time.

6.04 **Outdoor Lighting.** No unshielded lamp or light of any kind is permitted. A security light, or lights, mounted on a building is permitted so long as it has a shade or shield that prevents the light from shining directly onto the ground within sixty feet (60') of side or rear boundaries.

Lighted outdoor riding and/or roping arenas without roofs and walls are prohibited.

6.05 **Non-Residential Structures.** None of the following structures may be used as a residence, at any time: structures of a temporary character, mobile home, trailer, tent, shack, garage, barn or other outbuildings.. Camping and/or use of a travel trailer or motor home on the property as living quarters, even for one day, is strictly prohibited. No storage buildings are to be constructed on the property prior to the start of construction of the main residence. Non-Residential structures may be used as building offices and for related purposes during the construction period and shall not be constructed, placed or installed more than thirty days prior to beginning construction on the main residence. Such structures shall be set back at least one hundred feet from the right-of-way along Hillview Road and Old Highway 36 and shall be removed immediately after completion of construction.

- 6.06 **Subdivision.** No Lot as platted may be subdivided by the Grantee, their successors or assigns.

Section 7. **Storage of Automobiles, Boats, Trailers and other Vehicles.** No boat trailers, boats, travel trailers, campers, or trailers of any kind shall be stored or parked outside of a building on the property. No inoperable vehicles or vehicles larger than one ton shall be stored outside of a building. Standard automobiles and trucks no larger than one ton that are licensed, registered and operational may be parked in the driveway within fifty feet of the garage. No more than three vehicles may be parked outside of a building on a regular basis. Additional vehicles owned by guests may be parked outside for a maximum of seven consecutive days.

No semi trucks or trailers are allowed to be parked or stored on any Lot or within any Main Road right-of-way, except temporarily as needed to make deliveries to Lot Owners. Deliveries related to home-based businesses requiring semi trucks or trailers are not permitted.

Section 8. **Mineral Operations.** No oil, gas or other mineral drilling, development operations, refining, quarry, or mining operations of any kind shall be conducted or permitted upon or in any Lot. No wells (excluding water wells and septic tanks), tanks, tunnels, mineral excavation, or shafts shall be conducted or permitted upon or in any Lot. No derrick or other structures designed for the use of boring for oil or natural gas shall be erected, maintained, or permitted upon any Lot.

Section 9. **Agricultural Use.** For purposes hereof, the term "agricultural use" shall be limited as follows:

- 9.01 **Commercial Livestock.** Raising of livestock shall be permitted; however, commercial operations such as breeding animals for sale or feed lot operations are prohibited. Livestock shall be limited to one (1) animal unit per acre. Raising of swine and poultry are strictly prohibited. Any animal with un-weaned offspring shall be deemed and considered to be a single animal unit.
- 9.02 **Non-commercial Livestock and Poultry.** Rabbits, poultry, and other livestock raised for non-commercial purposes, including as 4-H, FFA, and vocational agricultural projects and for personal use, shall be allowed only if maintained at least fifty feet (50') behind the back wall of the main residence in a fenced or penned area located no nearer than sixty feet (60') from any Lot line. Swine are prohibited.
- 9.03 **Crops.** Raising of crops is permitted.
- 9.04 **Dogs and Cats.** Dogs shall be limited to one dog per acre and not to exceed three dogs per Lot. If two or more Lots are combined for one residence, the total number of dogs allowed shall not exceed the number that would be allowed for all of the combined Lots if sold individually. Dogs shall not be allowed to roam freely and must be leashed or confined within a building or fenced area. Cats shall be limited to one cat per acre.

No breeding or boarding of dogs, cats or other pets is allowed if such activity would cause the number of animals to exceed the number permitted herein.

Section 10. **Noxious or Dangerous Activities.** Any activities that may endanger the health or unreasonably disturb the peaceful enjoyment of other Owners of adjoining land are prohibited.

10.01 **Firearms.** No pistol, rifle, shotgun or any other firearm or explosives or any other device capable of killing or injuring or causing property damage shall be discharged on any part of the Property, except for the protection of Owners of the Lots and their property or animals from predators or nuisance varmints in a lawful manner.

10.02 **All Terrain Vehicles.** Dirt bike riding is prohibited. Use of all terrain vehicles (ATVs) is permissible as long as the noise does not disturb the peaceful enjoyment of other Property Owners.

Section 11. **Walls, Fences and Hedges.** Each Lot shall have board fencing installed along the Road frontage as specified hereafter in order to maintain continuity and consistency ("the Main Road Fence"). The Main Road Fence shall be constructed by Land of Oaks Development LLC and/or contractors hired by Land of Oaks Development LLC. The Main Road Fence shall be installed along the County's right-of-way along Hillview Road. The Main Road Fence shall be maintained by the Sycamore Hill Property Owners' Association.

11.01 **The Main Road Fence** shall be constructed of five (5) boards that are two inches thick by six inches wide (2" x 6") that are treated pine or cedar wood or similar natural hardwoods and stained with a solid color black stain.

The Main Road Fence shall be fifty-four inches (54") in height. The vertical supports of the Main Road Fence shall be either four inches by four inches (4" x 4"), four by six inches (4" x 6") or six inches by six inches (6" x 6") on eight-foot (8') centers.

There shall be four (4) equidistant horizontal cross-members of the Main Road Fence. The cross-members shall be two by six (2" x 6") planks. There shall be one (1) horizontal cap over the vertical supports constructed of two by six (2" x 6") planks. The lowest horizontal cross-member shall be eleven inches (11") from ground level. The other three (3) horizontal cross-members shall be approximately seven inches (7") from the cross-member below. Fencing must be maintained, stained with solid color low gloss black stain and kept in good repair. Wire fencing may be installed behind the board fencing and may be attached to the vertical fence posts. The wire fencing must not be higher than the board fence.

Existing driveway openings in the fence may be used as driveway entrances; however, it is permissible for the Lot Owner to move the driveway opening to another location along the Owner's Lot frontage on Hillview Road.

11.02 **Side boundary fencing.** Side fences are optional. If the owner chooses to fence side boundaries, the fencing shall not exceed fifty-four inches (54") in height from the front property line that is the Hillview Road right-of-way

extending to the rear wall of the main residence. Behind the rear wall of the main residence the side boundary fencing shall not exceed seventy-two inches (72") in height. The height of rear fencing is not limited. Side and rear boundary fencing may be constructed of smooth wire fencing. Barbed wire fencing and hurricane-type or chain-link fences are prohibited for use as boundary fencing. Chain link fencing that is constructed at least sixty feet (60') from a side boundary for the purpose of confining dogs is permissible.

Any board fencing constructed along side boundaries between the front property line and the rear wall of the main residence must meet the specifications set forth for the Main Road fencing. Board fencing installed behind the rear wall of the main residence shall not exceed seventy-two inches (72") in height.

- 11.03 **Shrubbery, trees and hedges** are permitted along all boundaries, except the boundary along Hillview Road. No fencing, shrubbery or trees shall be planted by Owner within six feet (6') of the Hillview Road right-of-way or within six feet (6') of the Old Highway 36 right-of-way in order to avoid interference with underground electric and phone lines. Existing trees within six feet (6') of the Hillview Road right-of-way may remain. In most cases, the Hillview Road right-of-way is estimated to be approximately twenty-four feet (24') outside the edge of the Hillview Road pavement and approximately thirty-five feet (35') from the centerline of Hillview Road. For the exact location of these rights-of-way, each Owner should consult a licensed surveyor. Austin County may remove existing trees that are located in road right-of-ways, at its discretion.

Section 12. Protection of Creek and Drainage. No obstruction of the creeks on the property shall be permitted. Construction of ponds, driveways, and buildings shall be done in such a manner that water shall not be caused to pool on any other Lot.

Construction of ponds shall not be permitted within the watershed that feeds the lake in Sycamore Hill Park. Ponds shall not be permitted on lots 12, 13, 14, 15, or 16. Ponds shall be permitted on the remaining lots only if the watershed for the new pond is not within the watershed that feeds the lake in Sycamore Hill Park. Ponds must be designed and located such that they do not need to be filled using groundwater from a well. Ponds must either be stocked with fish or aerated such that the pond does not support mosquito larvae. Property owners must obtain approval from the ARC prior to beginning pond construction to determine whether it would lie within the watershed of the lake in Sycamore Hill Park.

Section 13. Septic Systems and Water Wells. Prior to occupancy of a home, or any livable building each Lot Owner shall construct, install and maintain a septic tank and soil absorption system in accordance with the specifications for same as established by applicable law, including the laws of the State of Texas and the rules and regulations of Austin County, Texas. If such septic system complies with such specifications, but still emits foul or noxious odors or unsafe liquid onto streets, ditches or adjoining Lots, such system shall be modified so as to eliminate such foul or noxious odors or unsafe liquid.

Public water will be available at the frontage of each property along the main road. If water wells are drilled, they shall be drilled and maintained in accordance with the laws of the State of Texas and the rules and regulations of Austin County, Texas.

Section 14. **Mowing.** Each Lot Owner is responsible for cutting the grass on his/her Lot a minimum of two times annually during the months of March, April, May, June, July, August, September, and October prior to and following construction of a residence. The Association has the power to create rules and guidelines for cutting grass, including maximum height of grass, in order to assist in controlling potential problems with rodents, snakes and other nuisances.

ARTICLE III
SYCAMORE HILL PROPERTY OWNERS' ASSOCIATION, INC.

Section 1. **Purpose of the Sycamore Hill Property Owners' Association, Inc., hereafter called the "Association."** The Association is a Texas Non-Profit Corporation established for the purpose of managing the maintenance and improvement of all common areas owned by the Association, including Sycamore Hill Park, a 36.43-acre reserve and the Machemehl Family Cemetery, a reserve consisting of .28 acre. The Association also has recorded easements that enable the Association to oversee the maintenance of the following: (1) the permanent sign at the intersection of Old Highway 36 and Hillview Road, (2) the community mail boxes, (3) the board fencing described herein as the Main Road Fence and (4) the French drain system located at the rear of Lot 19 that collects spring water and the pipe that carries the spring water to the lake located in Sycamore Hill Park.

Section 2. **Responsibilities of the Association.** The Association will be responsible for: (1) overseeing maintenance of common areas, board fencing, community mail boxes, French drain and pipe carrying spring water to the lake in the Park, and the entrance sign as described in Article III, Section 1, (2) enforcement of the Declaration of Covenants, Conditions and Restrictions, the "Declaration;" however, all Lot Owners and the Developer also have the right to enforce the Declaration (3) collection of the Quarterly Maintenance Assessment "Assessment" as described in Article IV (4) enforcement and revision of rules for Sycamore Hill Park, and (5) oversight of the Architectural Review Committee after such time as 70% of the Lots have been sold by the Developer.

Section 3. **Bylaws of the Association.** The Association Bylaws are contained in Attachment A of the Declaration.

Section 4. **Sycamore Hill Park Rules.** The Association is responsible for enforcing the Park rules. The Association may revise the rules for Sycamore Hill Park upon obtaining an affirmative vote of two-thirds of the Owners. The Park Rules are contained in Attachment B of the Declaration.

ARTICLE IV
COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. **Purpose of Assessments.** The Quarterly Maintenance Assessment levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the Owners of the Lots within the Property and for the improvements and maintenance of the Common Area, including the Sycamore Hill Park and the Main Road Fences. There shall be a Quarterly Assessment "Assessment," that shall be collected from each Lot Owner to pay for the following expenses: (1) maintenance, staining, repair and/or replacement of board fencing along the Main Road frontage, (2) maintenance of the pavilion and deck located in the Sycamore Hill Park, (3) maintenance of the landscaping and irrigation system in Sycamore Hill Park, (4) maintenance and repair of the septic system located in the Sycamore Hill Park, (5) real estate taxes on the property owned by the Association, which includes the 36.43-acre Sycamore Hill Park, (6) maintenance of the wildlife practices in place that currently provide an agricultural valuation of the Park land, (7) maintenance of the permanent sign at intersection of Old Highway 36 and Hillview Road, (8) maintenance, repair and replacement of the community mailboxes, (9) maintenance of the Machemehl Family Cemetery Reserve consisting of .28 acres, (10) maintenance of the French drain system located at the rear of Lot 19 that collects spring water and the pipe that carries the spring water to the lake located in Sycamore Hill Park, (11) utility charges, (12) liability insurance, (13) mowing and cleaning of Park pavilion and grounds and (14) any other maintenance as deemed necessary by the Association Board.

Section 2. **Creation of the Lien and Personal Obligation of Assessments.** Developer, in the case of each Lot owned within the Property, hereby covenants, and each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, shall be deemed to covenant and agree to pay to the Association: (1) Regular Quarterly Assessments in the amount of two hundred dollars (\$200.00), that automatically shall be adjusted annually consistent with inflation without a vote or amendment to these Restrictions or the Bylaws. (2) Prior to start of construction of the residence, Lot Owners will pay sixty percent (60%) of the Regular Quarterly Assessment. The Association will be responsible for fulfilling the maintenance described in Article IV, Section 1 after the Assessment begins. (3) Assessments as levied by the Association following procedures as set forth in the Associations' Bylaws for obtaining approval of assessments ("Special Assessments").

The term "Assessments" means all Regular Quarterly Assessments and Special Assessments, together with all other sums due to the Association under the terms of these Restrictions or under the Bylaws (authorized by these Restrictions or applicable law), including all lawful costs and charges associated with the collection of Assessments, including (without implied limitation) interest, costs, postage, delivery fees, filing fees, and reasonable attorneys' fees. All Assessments are a charge on the Lot and shall be a continuing lien upon the Lot against which the Assessments are made. All Assessments are also the personal obligation of the person who was the Owner of the Lot at the time when the Assessments fell due. Appropriate

recitations in the deed conveying each Lot will evidence the retention of a vendor's lien by Developer for the purpose of securing payment of said charge assigned to the Association without recourse on Developer in any manner for the payment of said charge and indebtedness.

The Assessments will be collected by the Association. After 70% of the Lots are sold, the Association will be permitted to establish additional assessments and increase or decrease the Assessment upon obtaining an affirmative vote of two-thirds of the Owners. Line items of the budget may be revised by the Association's Board of Directors as needed.

Section 3. **First Assessment Payment.** The Regular Quarterly Assessment will begin one year after the first day of the next quarter following the conveyance of the first Lot to an Owner. The Developer will be responsible for maintenance described in Article IV, Section 1 until the Assessment begins. Lot Owners will begin paying the full Regular Quarterly Assessment on the first day of the quarter following the date the Lot Owner begins construction of their residence. The Association is responsible for maintaining the common areas such that the condition is the same or better than at the time the Assessment begins. The Developer will pay sixty percent (60%) of the Assessment on Lots owned by the Developer after the Assessment begins.

ARTICLE V **GENERAL PROVISIONS**

Section 1. **Enforcement.** All restrictions, conditions, covenants, and reservations imposed by the provisions of this Declaration shall run with the land. The Association, any Owner, or the Developer, shall have the right to enforce all restrictions, conditions, covenants, and reservations imposed by the provisions of this Declaration. Failure by the Association, Owners or the Developer to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The Association, Owners or Developer may recover reasonable attorney fees and court costs incurred in the effort to enforce the deed restrictions.

Section 2. **Term - Amendment.** The covenants and restrictions of this Declaration shall run with and bind the land, for a term of thirty (30) years from the date this Declaration is recorded ("Initial Term"). At the end of this initial 30-year term and any successive extensions thereof, these Restrictions will be extended automatically for successive periods of ten (10) years each, unless terminated prior to the end of the term by filing in the Official Records of Real Property of Austin County, Texas an instrument signed by those Owners of at least seventy-five percent (75%) of the Lots. This Declaration may be amended by an instrument signed by those Owners of not less than seventy-five percent (75%) of the Lots.

Section 3. **Annexation.** Developer may annex additional residential property and/or Common Area to the Property without approval or consent of Owners of the Lots. The annexed property will be similarly restricted for single-family residential use only.

Section 4. Lienholder. Industry State Bank ("Lienholder") joins herein solely for the purpose of subordinating the liens held by it of record upon the Property to the covenants, conditions and restrictions hereby imposed by Developer with, however, the stipulation that such subordination does not extend to any lien that secures any Assessment.

Section 5. Execution by the Association. The Association, by joining in the execution hereof agrees to be bound by all the terms and provisions of this Declaration.

IN WITNESS WHEREOF, the undersigned Developer has executed this Declaration this 15th day of September, 2010.

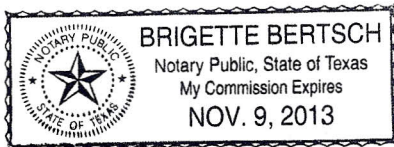
DEVELOPER
Land of Oaks Development LLC

By: Nancy S. Naron
Nancy S. Naron, President

By: Dennis M. Holder
Dennis M. Holder, Vice-President

THE STATE OF TEXAS
COUNTY OF AUSTIN

This instrument was acknowledged before me on September 15, 2010 by Nancy S. Naron, President, Land of Oaks Development LLC and by Dennis M. Holder, Vice-President of Land of Oaks Development LLC.



Brigitte Bertsch
Notary Public, State of Texas

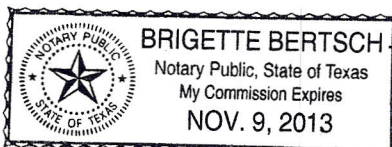
LIENHOLDER:

By: Industry State Bank
Industry State Bank

THE STATE OF TEXAS
COUNTY OF AUSTIN

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This instrument was acknowledged before me on September 15, 2010, by J. Doak Hartley, President of Industry State Bank.



Brigitte Bertsch
Notary Public, State of Texas