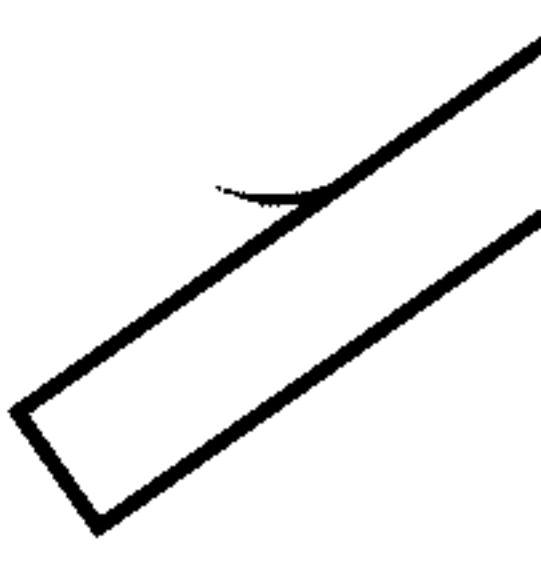
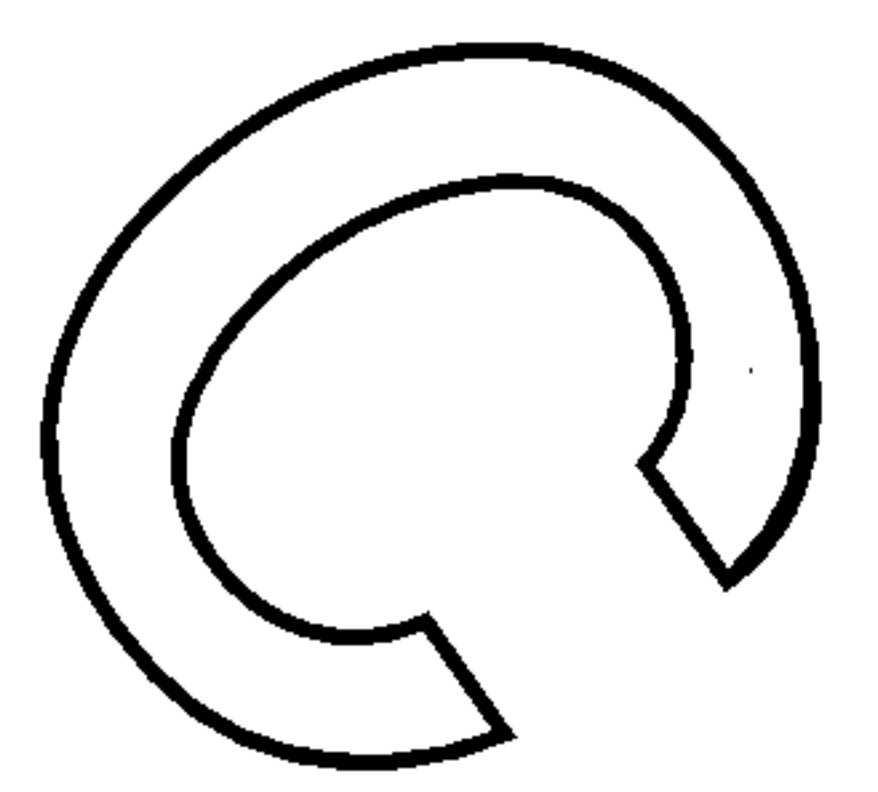
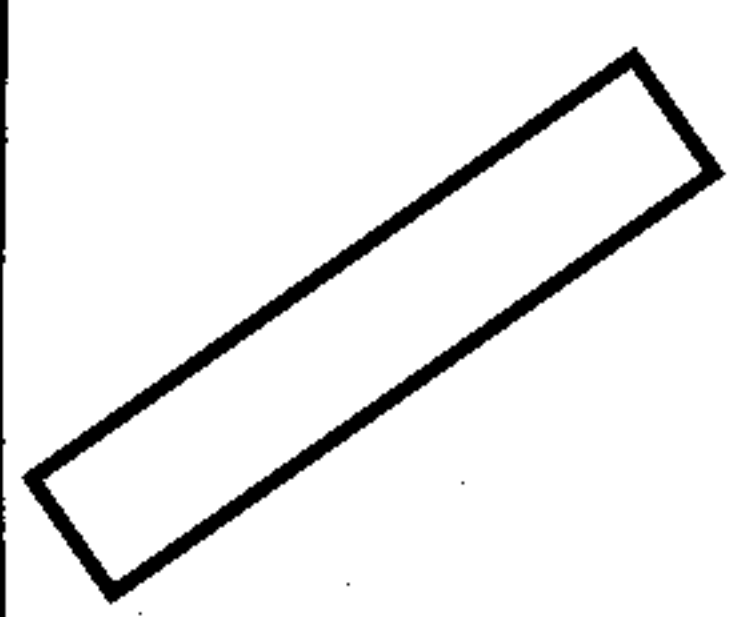
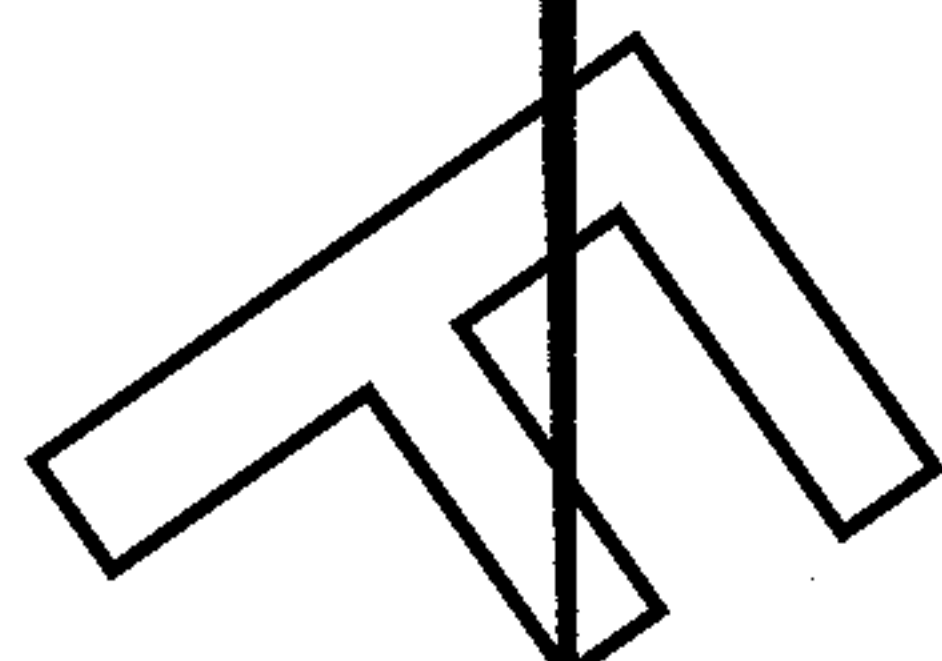


96-1743

**DECLARATION OF RESERVATIONS  
BAY COUNTRY  
A SUBDIVISION IN LLANO COUNTY, TEXAS**



**DECLARANT:  
Lake Lyndon B. Johnson Improvement Corporation  
Date: March 9, 1996**

**Vol 0719 pag 334**

DECLARATION OF RESERVATIONS  
BAY COUNTRY  
COUNTY OF LLANO, TEXAS

This Declaration of Reservations ("Declaration") dated this the 9th day of March, 1996, by Lake Lyndon B. Johnson Improvement Corporation, a Texas corporation, having its principal office at Horseshoe Bay, Llano County, Texas ("Declarant").

WHEREAS, Declarant is the owner of the real property located in Bay Country Plat of record in Volume 10 Page 21, Plat Records of Llano County, State of Texas, (the "Subdivision Land") and desires to create thereon a residential community with open spaces and other Common Areas for the benefit of the community; and

WHEREAS, by this Declaration, Declarant hereby commits the Subdivision Land to the conditions and restrictions stated herein for the purpose of establishing a general plan for the subdivision to be known as "Bay Country" so that the protection, maintenance, uniform development, and improvement of the Subdivision Land shall be in accordance with the general plan embodied in this Declaration; and

WHEREAS, in addition to the Subdivision Land, Declarant may at any time, and from time to time hereafter, commit, cause, or permit to be committed to this Declaration, certain additional land situated in Llano County, Texas, as Declarant may elect in the exercise of its sole discretion; and

WHEREAS, in the event Declarant elects to commit, cause, or permit any such additional land to be committed to this Declaration, Declarant shall file, cause, or permit to be filed of record in Llano County, one or more plats meeting the formal requirements set forth in this Declaration; and

WHEREAS, in addition to the Subdivision Land, this Declaration shall cover and be applicable only to such additional land which Declarant shall commit, cause, or permit to be committed to this Declaration by the filing of a plat or plats meeting the formal requirements set forth in this Declaration; and

WHEREAS, this Declaration shall not cover or be applicable to any such additional land, including, without limitation, land now owned or hereafter acquired by Declarant, unless and until Declarant shall commit, cause, or permit the same to be committed meeting the formal requirements set forth in this Declaration; and, in such event, this Declaration shall only cover and be applicable to the additional land actually committed to this Declaration in such plat or plats and all prior and subsequent plats meeting the formal requirements hereof; and

WHEREAS, this Declaration shall never be deemed to obligate Declarant to commit, cause, or permit any additional land to be committed to this Declaration, unless and until Declarant, in the exercise of its sole discretion, elects to commit, cause, or permit the same to be committed hereto;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS THAT Declarant hereby does certify and declare that the Subdivision Land is hereby committed to the general plan ("Plan") for the subdivision to be known as "Bay Country" (the "subdivision"), so that the protection, maintenance, uniform development, and improvement of the Subdivision Land shall be in accordance with the general plan and conditions ("Conditions") set forth in this Declaration.

**PLATTING OF LOTS AND TRACTS**

1.1 All subdivision Land shall hereafter be described by one or more plats ("Plat" or "Plats", as applicable) filed for record with the County Clerk of Llano County, Texas, each such Plat to meet the formal requirements ("Formal Requirements") set forth herein:

(a) The Plat shall be executed by Declarant and/or any person or entity acting by, through, and under the authority of Declarant as set forth herein, and filed for record in Llano County.

(b) The Plat shall contain the plat of a survey of the land covered thereby and shall be certified by a licensed public land surveyor or registered professional engineer of the State of Texas.

(c) The Plat shall contain the following legend:

"This Plat has been filed under and pursuant to that certain Declaration of Reservations ("Declaration") dated March 9, 1996, by Lake Lyndon B. Johnson Improvement Corporation, a Texas corporation, which Declaration is filed in Llano County under County Clerk's File Number \_\_\_\_\_ and is recorded in the Records of Llano County, Texas; and all land included in and covered by this Plat is committed to the Declaration, which is incorporated herein by reference and made a part hereof for all purposes."

(d) The Plat shall subdivide the land covered thereby into one or more lots ("Lot" and/or "Lots"), which shall be restricted "Rural Residential", or other classifications that Declarant may designate from time to time, and common areas ("Common Areas").

(e) The Plat may, but need not, dedicate to public or private use the applicable easements for roads, streets, or utilities, and any such dedication shall be in the sole discretion of Declarant.

(f) The Plat may, but need not, contain such other restrictions, limitations, and/or conditions as Declarant in its sole discretion deems advisable or appropriate and which do not otherwise conflict with this Declaration as same may be amended from time to time.

1.2 All subdivision Land shall be owned, held, leased, sold, and/or conveyed subject to this Declaration and the Conditions hereof. This Declaration and the conditions hereof shall be binding upon and inure to the benefit of the subdivision Land and/or any part thereof, including, without limitation, each and every Owner (hereinafter defined) thereof, or any part thereof, or any right, title, or interest therein. This Declaration and the conditions hereof shall constitute covenants running with the subdivision Land and every part hereof, including, without limitation, each and every Lot into which the same may be subdivided as provided herein, and shall constitute a mutual covenant and equitable servitude burdening each part of said subdivision Land and inuring to the benefit of each other part thereof and burdening each Lot in favor of each other Lot.

1.3 The term "Owner" shall mean the owner of fee simple title to the subdivision Land or any part thereof, including, without limitation, any Lot. The term Owner shall include Declarant if and to the extent Declarant is the owner of fee simple title to the subdivision Land or any part thereof, including, without limitation, any Lot.

1.4 In the event that Declarant desires to commit any additional land to this Declaration, as Declarant is empowered to do in its sole discretion from time to time, then Declarant shall for such additional land file a Plat meeting the Formal Requirements of this Declaration and thereafter such additional land

shall be a part of the Subdivision Land and, as such, subject to all terms and conditions of this Declaration.

1.5 As used herein, the term "Land" shall be synonymous with "Subdivision Land," including all additional land added to the subdivision by Declarant, and shall mean Lot. As used herein, and unless the context requires otherwise, the term "Subdivision Land" includes additional land added to the Subdivision by Declarant pursuant to the authorization contained in this Declaration.

II.

COMMITTEE OF ARCHITECTURE

2.1 Declarant shall appoint initially a Committee of Architecture ("Committee") consisting of three (3) members ("Members") who shall be natural persons.

2.2 The Members shall serve at the will of Declarant, and Declarant shall have the right and power at any time and from time to time to create and fill vacancies on the Committee.

2.3 Declarant shall have the right, at its election at any time, to transfer the power of appointment of the Committee to any person, corporation, association, or civic group. In such event, all rights and obligations of Declarant to appointment of the Committee shall thereupon terminate and shall thereafter be vested in the assignee of such power; provided, if in the sole opinion of Declarant such assignee should at any time fail or refuse to exercise the power, then Declarant shall have the right but not the duty to exercise the power of appointment of the Committee or to further assign the power of appointment.

2.4 It shall be the general purpose and duty of the Committee to provide for the maintenance of high standards of architecture and construction in the Subdivision in such manner as to enhance the aesthetic properties and structural soundness of the improvements constructed in the Subdivision and to promote development of the Subdivision Land in accordance with this Declaration.

2.5 The Committee shall be guided by and, except when in their sole discretion unique circumstances and good planning would dictate to the contrary, controlled by this Declaration. The judgment of the Committee shall be final, conclusive, and binding.

2.6 The Committee shall make available a copy of this Declaration to any Owner upon request, at the expense of such Owner.

2.7 The Committee shall determine whether the Conditions contained in this Declaration are being complied with; however, no act, failure, or refusal of the Committee to initiate action to challenge a real or threatened violation of this Declaration or the Conditions or otherwise to act on its own initiative shall be deemed to constitute a waiver of any right or duty of the Committee at any time or from time to time thereafter to initiate such action and/or enforce compliance with this Declaration and the Conditions. The Committee may act or refuse to act with respect to any real or threatened violation of this Declaration or the Conditions, all in the exercise of its sole discretion.

2.8 The Committee shall adopt reasonable rules, regulations, and procedures for the conduct of its duties. In this connection, without limitation, the Committee may fix the time and place for its regular meetings, and for such special meetings as may be necessary. The Committee shall by a majority vote elect one of its members as Chairman and one of its members as Secretary, and the duties of such Chairman and Secretary shall be such as usually pertain to such offices. Any and all rules, regulations, and procedures adopted by the committee regulating its procedure and the conduct of its affairs may be changed by the Committee from time to time by majority vote and none of the rules, regulations, or procedures shall be deemed to be any part of said Conditions.

2.9 In approving any architectural plans and/or specifications submitted for its review, the Committee shall not be responsible for the adequacy thereof; the sole responsibility for the adequacy of any such plans and/or specifications shall remain with the architect, builder, and/or engineer selected by the Owner, and the approval by the Committee of such plans and/or specifications shall never be deemed to discharge said responsibility.

### III.

#### CONDITIONS

The additional conditions ("Conditions") of this Declaration are as follows:

#### 3.1 PLATTING, LOT CLASSIFICATION, EASEMENTS:

(a) Each Plat shall subdivide the land covered thereby into one or more Lots ("Lots") which shall be identified by letters and/or numbers, and common areas ("Common Areas").

(b) Each Lot shall be restricted "Rural Residential", or such other classification as Declarant may designate, by an appropriate identification on the face of the Plat and/or by a separate instrument filed of record by the Declarant, filed in Llano County at the time the Plat is filed of record in such County.

(c) Each Plat shall identify the land covered thereby as "Bay Country, Lots \_\_\_\_\_ through and including \_\_\_\_\_, and Common Areas."

(d) Declarant may at any time and from time to time add additional Classifications by executing and recording one or more supplements to this Declaration, designating and defining such Classification, provided, such supplement is filed at or prior to the use of such additional Classification.

(e) Each Classification shall be binding as to the use of a Lot, subject to the other provisions as set forth in this Declaration and the Conditions.

(f) Declarant reserves the right at any time and from time to time to resubdivide, reclassify, and/or withdraw from this Declaration any or all Lots which are then owned by Declarant, if and to the extent Declarant deems such action desirable, in the sole discretion of Declarant. In such event, Lots shall be deemed to be resubdivided, reclassified, or withdrawn when Declarant files an amended Plat reflecting such resubdivision, withdrawal, and/or redesignation in Llano County. Declarant may exercise the right to resubdivide, reclassify, and/or withdraw Lots which are then owned by Declarant even though Declarant shall have previously sold and/or contracted to sell other Lots or Land in the subdivision. In addition to all other reservations stated herein, Declarant reserves the right at any time and from time to remove in its sole discretion any or all restrictions on any Lot and/or Land owned by Declarant, such removal to be accomplished by the filing of an amended Plat or by the filing of a separate instrument in the appropriate county. This subsection shall never be deemed to authorize Declarant to resubdivide, reclassify, and/or withdraw any Lot owned by Declarant which is subject to an outstanding contract for deed or similar instrument of conveyance in favor of a third party.

(g) Declarant hereby reserves a right-of-way and easement fifteen (15) feet wide along each lot line fronting a street, ten (10) feet wide along each back lot line and five (5) feet wide along each side lot line, together with an unobstructed easement above the same for any or all utilities and drainage, including, without limitation, television and/or communication cables; provided, that where said utility and drainage easements are shown on the

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applicable Plat with different widths and/or locations the width and location of such easements as shown on Plat shall control.

(h) Declarant, on behalf of itself, further reserves an easement under and above all roads and streets and common areas in the subdivision for the purpose of installing, operating, and maintaining any and all improvements in connection with utilities and drainage.

(i) Declarant reserves the right to abandon, assign, dedicate, and/or convey said utility and/or drainage easements and any rights and interests therein at any time and from time to time in Declarant's sole discretion.

This Declaration shall never be deemed to obligate Declarant to furnish, construct, or maintain or cause to be furnished, constructed, or maintained any road, street, utility, and/or drainage facility, and/or any improvements on or in connection with any of the foregoing.

Owners shall have no cause of action against Declarant, its successors or assigns, employees and/or agents, either at law or in equity, for any damage, expense, and/or injury caused by the installing, operating, maintaining, repairing, and/or replacing of the above utility and/or drainage improvements.

### 3.2 IMPROVEMENT STANDARDS

The following provisions shall be applicable to all subdivision Land regardless of Classification.

#### (a) Structural/Materials/Etc.

No building, fence, patio, or other structure shall be erected, altered, added to, placed, or permitted to remain on any Lot or Land until and unless the architectural plans and specifications showing floor areas, external design, structural details and a plot plan showing the ground location of the intended structure have been first delivered to the Committee and approved in writing as to, but not limited to, (i) the external design, including color and quality, (ii) the conformity and harmony with existing or proposed structures in the subdivision, (iii) the height of the structure insofar as it may obstruct the view of the surrounding Lots and/or Land, (iv) the location of the structure on the Lot, and (v) the quality and type of materials and the aesthetic qualities thereof, and a building permit has been issued by the Committee. After approval of plans and specifications by the Committee, each building, fence, patio, or other structure shown thereon shall be constructed only in strict accordance with such approved plans and specifications, and no deviation shall be made therefrom except with the prior written approval of the Committee. No alterations in the exterior appearance of an existing building or structure shall be made without the prior written approval of the Committee. The foregoing requirements also extend to ornamental structures, fences, and walls, including but not limited to the location, design, height, length, and type of construction, and also to any moving of soil which in the sole opinion of the Committee is a significant moving of soil. No natural or existing drainage shall be changed, altered, or diverted, without the prior written approval of the Committee. The Committee may require a reasonable fee prior to reviewing architectural plans and specifications submitted for approval. The Committee may also require a fee for the issuance of a building permit, the amount of such building permit fee to be determined from time to time in the sole discretion of the Committee. On any structure submitted for approval, the Committee may require changes, deletions, or revisions in order that the architecture and general appearance of all such buildings and grounds be in keeping with the architecture and character of the neighborhood and otherwise comply with the Conditions and this Declaration. All structures shall conform to the requirements of the Uniform Building Code as published by the International Conference of Building Officials, current edition, and the requirements of the National Electrical Code, as published by the National Fire Protection Association, current edition, as a guide to sound construction and electrical installation practices, and shall comply with all applicable laws, ordinances, rules, and regulations of the governmental authorities having or asserting jurisdiction, including, without limitation,

appropriate departments of the county in which the property is located and the state of Texas, whichever are the more restrictive.

Notwithstanding any other provisions of this Declaration, it is and shall remain the right, prerogative, and authority, and shall be within the jurisdiction of the Committee to review applications and to grant approvals and building permits for such exceptions to and variations from this Declaration and the conditions as the Committee may permit in accordance with the standard stated herein. Exceptions to and variations from this Declaration and the conditions, and, in general, other forms of deviations from the restrictions imposed by this Declaration may be made when and only when such exceptions, variances, and deviations do not in any way detract from or impair the appearance of the premises, and are not in any way detrimental to the public welfare or to the property of other persons located in the vicinity thereof, all in the sole judgment of the Committee. Any exception and/or variation made or permitted by the Committee shall apply only to the specific instance for which such exception or variation is made or permitted, and shall not be deemed to apply to any other similar situation and shall never be deemed to constitute an amendment to or waiver of the provisions of this Declaration. Without limitation, the designated maximum building height and minimum yard requirements and/or any other provision herein may be waived in a particular case by the Committee, when in their opinion, such waiver promotes sound architectural planning and conforms to the over all design and pattern of the development.

(b) Air Conditioning Units and Television Antennae

No air conditioning unit, evaporative cooler, or other object or device which, in the sole opinion of the Committee, is unsightly shall be placed upon or above the roof of any building, except and unless the same is architecturally concealed from view in accordance with plans submitted to and approved by the Committee prior to the installation thereof and then only when, to the satisfaction of the Committee, the same is not aesthetically or architecturally objectionable and is otherwise in conformity with the aesthetic standards of the subdivision. No television antenna, radio antenna, radio receiver, satellite dish, or other similar device for receiving or transmitting radio, television, or other electronic signals shall be erected on the Subdivision Land or on any building or other structure located on any Subdivision Land unless screened from view in a manner acceptable to the Committee in the exercise of its sole discretion. Roof-type television antennas may be installed provided, in the determination of the Committee, they are installed in such location and position that they cannot be seen against the skyline from any vantage point located off the applicable Lot. No form of radio or television signals, or other form of electromagnetic radiation or transmission shall be permitted to originate from any Lot which, in the sole determination of the Committee, unreasonably interferes with the reception of radio and television signals within the subdivision. Notwithstanding the foregoing, Declarant and its assigns, shall not be prohibited from installing and operating equipment and related facilities necessary for master antenna, security, cable television, mobile radio, and other similar systems within the subdivision.

(c) Building Exterior

With the exception of buildings and structures constructed by Declarant, all dwellings must have exterior walls of not less than fifty percent (50%) masonry covering on the total of all exterior walls. The exterior portion of all walls that are not masonry shall be painted or stained immediately upon completion or shall have color mixed in the final structural application, excepting acceptable woods that are commonly used without such finishes, so that all such materials shall have a finished appearance. No plywood, pressboard, particle board, or similar type of material shall be used on any exterior wall of any structure. All barns and out buildings shall be constructed of the same materials as the dwelling and be architecturally compatible in the opinion of the Committee.

(d) Tanks, Butane, etc.

No liquified petroleum gas, propane, or butane container or other tank used for the storage of gases or liquids for fuel shall be placed on any Lot or Land unless the same is architecturally concealed from view. In the event natural gas is made available to any Lot or Land, then the owner thereof shall promptly connect to the source of natural gas, discontinue the use of liquified petroleum gas, propane, or butane gas, and remove the container or tank from the owner's Lot or Land.

(e) Fences, Walls, and Hedges

The height, construction material, and style of each fence or wall shall be subject to approval of the Committee, provided no fence or wall exceeding seven (7) feet in height shall be built on any Lot or Land. Prior to construction of any wall, fence, or gate, detailed plans and specifications showing the design, materials, and location thereof shall be submitted to the Committee for approval. No chain-link, "Cyclone" or "Hurricane type" fence shall be constructed on any Lot or Land which is visible from the street. Owner, at his expense, shall promptly repair or replace any fence erected by Declarant which is damaged by owner, his agents or animals, any such replacement or repair to be done with materials of the same manufacture and of the same color as the original construction. Owner, at his expense, shall maintain in good repair fencing installed by Declarant which constitutes perimeter fencing of his Lot. Fencing which constitutes a common boundary line between two Lots shall be maintained by each Lot Owner, the expense thereof to be shared on a pro-rata basis. The fencing erected by Declarant shall not be removed and replaced with any other fencing materials.

(f) Yard Lighting

Structures constructed on all Lots or Land will be required, before completion, to place at a point near the street serving the Lot or Land a decorative electric yard light. The type and location of light shall be selected and controlled by the Committee. Such light shall not exceed 6-1/2 feet in height and shall be controlled by a light sensitive switch. Each yard light and light sensitive switch for same shall be maintained by the Owner in a manner so that the light shall burn all night every night.

(g) Utilities

All utilities and utility services on all Lots or Land shall be installed underground and no above-surface utility wires will be installed on any Lot or Land outside any structure, unless otherwise provided on any Plat or Plats filed of record covering such Lot or Land.

(h) Clothes Lines

No clothes lines shall be installed or permitted to remain on any Lot or Land.

(i) Plumbing and Sewerage

All structures shall have completed and approved plumbing and sewerage installations before occupancy. Such plumbing shall conform to the requirements of the Uniform Plumbing Code as published by the Western Plumbing Association, current edition, as a guide to sound plumbing practices, and shall comply with all laws, ordinances, rules, and regulations of governmental authorities having and asserting jurisdiction.

Where a central sanitary sewerage system is made available to any Lot or Land on which a structure is located or being constructed, it is required that the structure be connected to and use such system. Where a central sanitary sewerage system is not available to the Lot or Land, the Owner may install a septic tank provided such septic tank and attached drain fields are acceptable to and meet the requirements of the Committee and the proper governmental authorities having or asserting jurisdiction with respect thereto. Any



malfunction of any septic tank and/or drainage field system, after being reported to the Owner by Declarant or the appropriate authority, and not repaired within the time designated by such authority or seven (7) days, whichever occurs first, shall be cause for termination of water service to such Owner and/or the applicable Lot or Land until such repairs are effected.

(j) Drainage structures

Drainage structures under private driveways shall always have a net drainage opening area of sufficient size, in the opinion of the Committee, and Lake LBJ Municipal Utility District, to permit free flow of water without backwater.

(k) Roof Construction

All roofs on buildings and structures on any Lot or Land shall be either clay or concrete tile, hand-split thick butt shakes, standing seam metal, or other material approved by the Committee, and shall be properly installed on a suitable slope, and asphalt, asbestos, and/or fiberglass shingles shall not be permitted. The type and color of all roof material must be approved by the Committee prior to installation. No flat roofs and/or tar and gravel roofs shall be permitted on any building or structure constructed on any Lot or Land, unless the Committee determines that such construction is not aesthetically objectionable and is otherwise in conformity with the overall development of the subdivision.

(l) Exterior Colors

Other than on buildings and/or structures constructed by Declarant, all exterior colors, stains, and/or finishes must be approved by the Committee prior to application of such exterior colors, stains, and/or finishes on any building or structure constructed on any Lot or Land.

3.3 LAND USE - GENERAL

The following provisions shall be applicable to all subdivision Land regardless of Classification:

(a) Advertising

No sign, advertisement, billboard, or other advertising structure of any kind (including but not limited to signs, advertisements, billboards, or other advertising structures stating the availability for purchase of any Lot or Land) shall be erected or allowed on any unimproved Lot or Land and no sign shall be erected or allowed to remain on any Lot or Land, improved or unimproved, except as expressly provided in the Uses Permitted section of the particular type of Classification, and except as erected by or approved in writing by Declarant. In addition and without limitation, no sign, advertisement, billboard, or other advertising structure of any kind (including but not limited to signs, advertisements, billboards or other advertising structures stating the availability for purchase of any Lot or Land) shall be erected or allowed on any common areas, right-of-way or easement, whether dedicated for public use or not, without the prior written approval of the Committee and Declarant, which approval may be withheld for any reason or without reason. It shall be the duty of the Committee and/or Declarant to remove or cause to be removed (and the right of the Committee and/or Declarant to thereafter dispose of or destroy) any sign, advertisement, billboard, or other advertising structure erected or allowed in violation of these restrictions, and neither Declarant, the Committee, nor any designee or agent shall ever be liable for the cost of any such sign, advertisement, billboard, or other advertising structure, or be obligated in any way to return same to the owner thereof; provided further that the Committee or Declarant shall never in any event be deemed liable for failing or refusing to exercise said duty.

(b) Building Area

No Lot shall be resubdivided or reclassified; provided Declarant may resubdivide and/or reclassify Lots as provided in Section 3.1 hereof. No structure shall be erected, placed, or maintained on any portion of any Lot, which portion has an area of less than a full Lot as designated on the applicable Plat.

(c) Garages and Carports

All Lots shall provide for at least one two-car garage of no less than 400 square feet per dwelling unit. Each garage shall be equipped with a garage door acceptable to the Committee. No unsightly storage shall be permitted which is visible from the street. No trucks, unsightly vehicles, or other items shall be stored or kept for any purposes, including repair, on any Lot or Land or in any driveway thereto. Such storage shall be in enclosed garages or storage facilities protected from the view of the public and streets within the subdivision and other residents of the subdivision.

(d) Water Supply

Water from individual water wells, if any, shall be used only for irrigation and stock watering purposes. The Owner of a Lot or Land shall use the water from a central water system where the system is made available to such Lot or Land from the central water system supply. Nothing herein contained shall be construed as prohibiting the Declarant from drilling a well or wells or permitting the drilling of same, on the reserved areas of said Subdivision, for the purpose of supplying water to the Owners of any Lot or Land in said Subdivision, or for Declarant's sole use.

(e) Occupancy, Parking, and Materials Storage

No mobile home, camper, trailer, tent, lean-to, shack, or other temporary structures of any nature shall be used for occupancy, or placed upon any Lot or Land or road or street. No garage, servant's quarters, or guest cottage shall be constructed on any Lot prior to the construction of the main residence or residences. No building material of any kind or character shall be placed or stored upon any Lot or Land until the plans and specifications for the proposed improvement have been approved by the Committee, the Owner has obtained a building permit from the Committee, and construction has commenced, and then such materials must be stored entirely within the Lot lines.

No house trailer, camper, mobile home, or any such vehicle designed for living or camping shall be parked within the subdivision, nor shall any such vehicle remain overnight in the subdivision unless kept within a structure which has been approved by the Committee. No boat and/or boat trailer shall be permitted to remain overnight on any street, Lot, or Land exposed to public view.

Both prior to and after occupancy of a dwelling on any Lot, the Owner shall provide appropriate space for off-the-street parking for Owner's vehicle or vehicles.

(f) Dust and Erosion Control

Under no circumstances shall the Owner of any Lot or Land disturb the natural soil or grasses unless the Owner immediately thereafter constructs on, paves, gravels, or replants such disturbed areas with ground cover approved in advance by the Committee.

(g) Easements

Easements for the installation, operation, maintenance, repair, and replacement of utilities, drainage, and landscaping, including the trimming and/or removal of trees and brush, are reserved as shown on the applicable Plat and/or as set out in this Declaration. Within these easements, no structure, fence, planting, or other material shall be placed or permitted to remain which

might damage or interfere with the installation and maintenance of utilities, drainage, and landscaping, or which might change the direction of flow of drainage channels in the easements or which might obstruct or retard the flow of water through drainage channels. The easements include, without limitation, the rights of ingress and egress thereon at reasonable times for construction, maintenance, repair, and replacement purposes, without the consent or approval of the Owner of the applicable Lot or Land and without compensation or redress to the Owner of said Lot or Land by reason of such construction, maintenance, repair or replacement. Any improvements placed in the easement area by the Owner of any Lot or Land may be removed by the Declarant and/or any person or entity having any right, title, or interest in the easement, including, without limitation, any public authority or utility company, all without liability to Declarant, the Committee, or such public authority or utility, and at the sole expense of the Owner of said Lot or Land. The easement area of each Lot or Land and all improvements thereon shall be maintained continuously by the Owner of the Lot or Land covered by said easement, except for those improvements which are owned by the beneficiary of the Easement such as the applicable public authority, utility company, or by Declarant. All Lots and Land in the Subdivision are subject to any and all easements and rights-of-way of record or provided for herein, and are further subject to natural drainage easements.

(h) Electrical Power

No source of electrical energy shall be brought to any Lot or Land or used upon any Lot or Land unless and until the Committee has approved plans and specifications for the erection of the permanent improvements to be located on said Lot or Land. The Owner of such Lot or Land shall pay for all connecting charges imposed by the utility company, including service drops, individual or semi-individual transformers, and/or meters as may be required.

(i) Occupancy of Structures

No structure shall be occupied or used for the purpose for which it is designed or built or for any other purpose until the exterior shall have been completed and the structure connected to an acceptable sanitary sewer which has been approved by the Committee and a certificate to that effect shall have been issued by the Committee. With reasonable diligence, and in all events, within twelve (12) months from the commencement of construction, unless an extension of this time is specifically approved in writing by the Committee, any structure commenced shall be completed as to its exterior and all temporary structures shall be removed, and within thirty (30) days thereafter, all materials stored or used for construction, including the contractor's temporary office, chemical toilets, construction debris, and related facilities shall be removed.

(j) Hunting

No hunting shall be allowed in the subdivision.

(k) Storage of Tools and Trash

The storage of tools, landscaping instruments, household effects, machinery or machinery parts, trailers, empty or filled containers, boxes or bags, trash, materials or other items that shall, in the sole opinion of the Committee, in appearance detract from the aesthetic appearance and values of the Subdivision, shall be placed and stored so as to be concealed from view of all streets and the Owners of other Lots or Land. Trash for collection may be placed in enclosed sanitary containers at the street right-of-way line on regular collection days for a period not to exceed twelve hours prior to pickup. Trash, garbage, or other waste and debris shall at all times be kept in enclosed sanitary containers. Any incinerator or other equipment for the storage or disposal of such material shall be kept in a clean, sanitary, and sightly condition. Storage of junk, inoperative or unlicensed motor vehicles, and other unsightly objects on any Lot or Land is expressly prohibited; Declarant and the Committee are hereby empowered to remove and destroy any junk, inoperative or unlicensed motor vehicles, and any other unsightly objects on any Lot or Land without liability of any kind to the owner thereof.

(1) Grass and Weeds

The Owner of each Lot or Land shall keep grass, weeds, and vegetation within the Fifty (50) foot front yard set-back, trimmed or cut so that the same shall remain in a neat, trimmed, and attractive condition. Upon any failure of the Owner to comply with this requirement, within thirty (30) days after notice by the Declarant and/or the Committee to said Owner of such condition, Declarant and/or the Committee or its agent may enter upon said Lot or Land to perform said requirement at the sole expense of the Owner, provided that the same shall not exceed one hundred dollars (\$100.00) per Lot per each notice, which amount may be increased from time to time at the sole discretion of the Committee. Notwithstanding the foregoing, Declarant, the Committee, and/or the Bay Country Association, may, but shall not be obligated to, dispense with said notice to the Owner of any sold unimproved Lot or Land and undertake at its own expense to maintain said sold unimproved Lot or Land in a neat, trimmed, and attractive condition.

(m) Drilling and Mining

No water well, oil, gas, or mineral mining, exploring, drilling, development, refining, quarrying, or other operations of a related nature shall be permitted upon or in any Lot or Land without the prior written authorization of the Committee.

(n) Mineral Rights

Declarant makes no reservation unto itself of any minerals on, in and under any Lot or Land constituting part of the subdivision Land.

(o) Motor Bikes and Motorcycles

Except for golf carts, no motor bikes, motorcycles, all terrain vehicles, or any two-wheeled or three-wheeled motor vehicle shall be operated on the streets or common areas under any circumstance.

3.4 Land Use--Residential Areas

In addition to the preceding provisions, the following shall be applicable to all Land classified "Rural Residential" as defined herein.

(a) Livestock, Poultry and Pets

No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot or Land except as follows:

(a.1) Dogs, cats, or other household pets may be kept provided they are kept on the Owner's property and not allowed to "run free" and are not kept, bred or maintained for any commercial purposes and are not kept in quantities which create an annoyance or nuisance to the neighborhood.

(a.2) Horses, burros, cattle or sheep may be kept on a Lot provided that no more than four such animals may be kept on any Lot without the written consent of the Committee. Any other animals requested by an Owner to be kept on any Lot shall be at the discretion of the Committee, and shall require the specific written approval of the Committee which may be withheld for any reason or without reason. The Committee, in its sole discretion, may require that animals be removed from a Lot if, in the opinion of the Committee, the animals are not being properly fed or cared for, if the grasses on the Lot are being overgrazed or if manure or soiled hay is allowed to accumulate to cause objectionable odors or unsanitary conditions.

(b) Landscaping

No trees, plants, shrubs, or foliage shall be planted, kept, or maintained in such a manner as, in the opinion of the Committee, to create a serious potential hazard to the other residents of the area or to be inconsistent with the architectural character or aesthetic objectives of the subdivision.

(c) Spaces Between Building--Passageways

Where more than one building is located on any Lot or Land, there shall be at least ten (10) feet between every dwelling, and any other building on the same Lot or Tract.

(d) Side Yard Setback--Reverse Corner Lots

In the case of a reversed corner Lot, there shall be a side yard setback on the street side of the corner Lot of not less than the front yard requirements for the Lots in the rear of such corner Lot.

3.5 RURAL RESIDENTIAL

The following uses and regulations shall apply to each lot in the Rural Residential District unless otherwise provided in these reservations:

(a) Uses Permitted

- (a.1) A one family dwelling;
- (a.2) A guest cottage or servants quarters for bona fide servants employed to perform services on the Lot;
- (a.3) The accessory buildings and structures;
- (a.4) Maintaining mail address for commercial, professional, and business license purposes only. No commercial, professional, or business use shall be permitted. Without limitation, no stock in trade, supplies, nuisance producing apparatus, or equipment shall be kept on the premises, except as otherwise provided in this section, no signs shall be displayed;
- (a.5) A temporary sign not to exceed six (6) square feet in area giving the names of the contractors, engineers, and architects may be erected during construction period. The design, color, and content of any such sign must be approved by Declarant.

(b) Maximum Building Height

Three levels not to exceed forty-five (45) feet above the highest natural contour line of the applicable Lot.

(c) Minimum Yard Requirements

Except as specified to the contrary on the Plat, which specification shall control, the following shall apply:

- (c.1) Front yard setback shall conform to a minimum depth of fifty (50) feet from the front property line to the closest structural projection, including porches, but not including eaves, overhangs, planters or fireplaces;
- (c.2) Side yard setbacks shall be twenty (25) feet from each side yard. Corner Lots shall maintain a minimum setback of fifty (50) feet from the side street line.
- (c.3) Except as provided below, a rear yard shall be maintained of at least twenty (25) feet from the property line to the nearest building line.
- (c.4) Notwithstanding anything herein to the contrary, Lots 1, 2, 3, 4, 5, and 24 shall maintain a one hundred (100) foot building setback from R. M. Highway 2147, and there shall be no access onto R. M. Highway 2147 from said Lots.

(d) Minimum Dwelling Unit Size

All primary residences shall require not less than 2,500 square feet of living area, excluding carport, garage, covered porches, covered contiguous patios or other similar appendages.

IV.

SPECIAL PROVISIONS

4.1 HORSESHOE BAY AMENITIES AND CLUB MEMBERSHIP

The Horseshoe Bay Yacht Club, Applerock Golf Course, Ram Rock Golf Course, Slick Rock Golf Course, Marina, Stables, Pro Shops, parks, and related facilities and amenities in the Horseshoe Bay Subdivision, Horseshoe Bay, Texas (hereinafter referred to as the "Horseshoe Bay Amenities") are not owned by Declarant, are not located on land owned by Declarant, and are not within the subdivision created by this Declaration or otherwise located on subdivision Land. This Declaration shall never be deemed to require Declarant, or its successors or assigns, to provide Owners of Subdivision Land with any right of access or use with respect to the Horseshoe Bay Amenities, and Owners of Subdivision Land have no such right of access or use pursuant to this Declaration or by reason of their ownership of subdivision Land.

Subject to the foregoing, Declarant is a party to a certain Agreement by and between Declarant and Lake LBJ Investment Corp., which Agreement provides that Owners of Subdivision Land who apply and are accepted for membership in the Horseshoe Bay Country Club by the membership committee thereof shall not be required to pay the initiation fee required of new members, but will otherwise be required to pay all fees, dues, and other charges assessed members of the Horseshoe Bay Country Club. The above-described Agreement does not ensure or guarantee in any way that an Owner of Subdivision Land will be accepted for membership in the Horseshoe Bay Country Club, and an invitation to membership in the Horseshoe Bay Country Club is extended in the sole and complete discretion and judgment of the membership committee of the Horseshoe Bay Country Club. No representative of Declarant is a member of the membership committee of the Horseshoe Bay Country Club, and it does not participate in the decision to extend an invitation to membership in the Horseshoe Bay Country Club. Declarant makes no representation or warranty that the above-described Agreement will not be revoked, rescinded, or terminated, and Declarant hereby reserves the right to revoke, amend, or modify said Agreement at any time and from time to time in its sole discretion.

4.2 NUISANCES

No noxious or offensive activities shall be carried on upon any Lot or Land, nor shall anything be done thereon which may become an annoyance or nuisance to Declarant, other Owners or the subdivision.

4.3 MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Every person or entity who is a record Owner of a fee interest in any Lot which is subject to this Declaration shall automatically be a member of "Bay Country Association."

The Association shall have two classes of voting memberships, as provided in its Articles of Association.

4.4 COVENANT FOR MAINTENANCE ASSESSMENTS

(a) Creation of the Lien and Personal Obligation of Assessments. Each Lot, except those owned by Declarant, shall be subject to an annual maintenance fee payable each year in advance on January 1. By purchasing a Lot or Dwelling Unit in the subdivision Land, each Owner of a Lot or Dwelling Unit thereon shall be deemed to covenant and agree to pay to the Association: (1) annual assessments

or charges which amount shall not be less than the total amount of the base maintenance fee and the additional base maintenance fee applicable to R-1 Lots in Horseshoe Bay West as determined from time to time in accordance with the Horseshoe Bay Declaration of Reservations, and (2) special assessments for capital improvements, such assessments to be fixed, established and collected from time to time as hereinafter provided. The annual and special assessments, together with such interest thereon and costs of collection thereof as hereinafter provided shall be a charge on the Lot and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with such interest thereon and cost of collection thereof as hereinafter provided, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment fell due.

(b) Purpose of Assessments. The assessments levied by the Association shall be used for the following purposes: (1) for the payment of taxes and insurance on the Common Properties lying within the subdivision Land, and for the improvement and maintenance of the Common Properties and other areas of the subdivision Land designated by the Board of Directors of the Association, including but not limited to repair and replacements thereto, and for the cost of labor, equipment, materials, management and supervision thereon, and for carrying out the purposes of the Association and (2) to pay to Lake LBJ Investment Corp., on behalf of each owner, the payment defined in Section 1.2 of that Agreement described in Section 4.1 herein.

(c) Effect of Non-Payment of Assessment: The Personal Obligation of the Owner; the Lien; Remedies of the Association. If the assessments or charges are not paid on the date when due, then such assessments shall become delinquent and shall, together with such interest thereon and cost of collection thereof as hereinafter provided, thereupon become a continuing lien on the Lot of the owner that has failed to pay such assessments, which shall bind such Lot in the hands of the then owner, his heirs, devisees, personal representatives and assigns. The personal obligation of the then owner to pay such assessment, however, shall remain his personal obligation for the statutory period and shall not pass to his successors in title unless expressly assumed by them.

If the assessment is not paid within thirty (30) days after the due date, the assessment shall become delinquent ("Delinquency Date") and shall bear interest from the Delinquency Date at the rate of ten percent (10%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or to foreclose the lien against the Lot, and if a lawsuit is filed, there shall be added to the amount of such assessment the costs of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and a reasonable attorney's fee to be fixed by the court, together with the costs of the action.

(d) Subordination of the Lien to Mortgages. The liens of the assessments provided for herein shall be subordinate to the liens of any mortgage or mortgages now or hereafter placed upon the Lots subject to the assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to the sale of such Lots pursuant to a foreclosure of any such mortgage. A sale shall not relieve the Owner of a Lot from liability for any assessments thereafter becoming due nor from the lien of any such subsequent assessment.

(e) Exempt Property: The following property subject to this Declaration shall be exempted from the assessments, charge and lien created herein: (a) all properties dedicated and accepted by the local public authority and devoted to public use; (b) all Common Areas as defined in Article I, Section 1 hereof; (c) all properties exempted from taxation by the laws of the State of Texas upon the terms and to the extent of such legal exemption, and (d) all properties owned by Declarant.

#### 4.5 BINDING NATURE OF COVENANTS AND RESTRICTIONS

The covenants and restrictions of the Declaration including, but not limited to the covenants and restrictions contained in Section 4.4 of this

Declaration, shall run with and bind the Subdivision Land, and, without limitation, shall inure to the benefit of and be enforceable by Declarant, the Association, the Committee, and/or any Owner of the Subdivision Land or any part thereof for the term thereof upon and subject to the terms and conditions thereof.

#### 4.6 MINERALS AND ROYALTIES

This Declaration is expressly subject to the oil, gas, and/or minerals and/or royalty interests, if any, which are outstanding of record affecting the applicable portions of the Subdivision Land.

#### 4.7 CERTAIN ADDITIONAL RIGHTS OF DECLARANT

Declarant shall have the right, but not the obligation, at any time and from time to time to cause or permit the owners of other land adjoining or in the vicinity of the Subdivision to commit said lands or any part thereof to this Declaration and the Conditions hereof, and, in such event, Declarant may delegate any or part of the rights, privileges, duties, and obligations of the Declarant under this Declaration to the owner of such other land, subject to the following terms and conditions: In the event Declarant exercises the rights herein reserved, Declarant shall execute and deliver to the owner of such other land an instrument in writing and in recordable form wherein Declarant shall grant said right to said owner. Said instrument shall contain a legal metes and bounds description of the land as to which said right is granted and said instrument shall contain a specific grant of any and all rights, privileges, duties, and obligations of the Declarant under this Declaration which may be delegated and/or assigned to the owner of said other land with respect to said other land if and to the extent the owner thereof shall commit the same to this Declaration. All rights, privileges, duties, and obligations of Declarant not expressly delegated and/or assigned in such instrument shall be deemed to be reserved to and may be exercised by Declarant as to such other land if and to the extent the owner thereof shall commit the same to this Declaration. Upon receipt of the above instrument and at any time and from time to time thereafter, the owner of such other land shall have the right, but not the obligation, to commit any or all of such other land to this Declaration by filing a Plat meeting the Formal Requirements hereof, except that such Plat shall be executed by such other owner and/or the successors and assigns of such other owner in lieu of Declarant.

### V.

#### GENERAL PROVISIONS

##### 5.1 DURATION

The covenants and Conditions of this Declaration shall run with the Subdivision Land and shall be binding upon all parties and all persons claiming under them for a period of twenty-five (25) years from the date this Declaration is filed for record in Llano County, Texas, after which time the covenants and Conditions shall be automatically extended for successive periods of ten (10) years unless terminated by an instrument of termination meeting the following requirements.

The instrument of termination shall be in writing and shall be executed and acknowledged by the then Owners of a majority in interest of fee title to the Subdivision Land (excluding the Subdivision Land included in public or private roads and streets and Common Areas), and must be filed of record in Llano County, Texas. The instrument of termination shall be effective to terminate this Declaration and the Conditions at the expiration date of the initial twenty-five (25) year term if said instrument of termination is filed of record as set forth above during the initial twenty-five (25) year term or if filed of record as set forth above during any ten (10) year period of extension and shall be effective to terminate this Declaration and the Conditions at the end of said ten (10) year period of extension.



## 5.2 AMENDMENTS

This Declaration and any or all of the Conditions and restrictions set out herein may be amended by an instrument of amendment meeting the following requirements: The instrument of amendment shall be in writing and shall be executed and acknowledged by the then Owners of a majority in interest of the fee title of the Subdivision Land (excluding the portion of the Subdivision Land included in public or private roads and streets and Common Areas) and must be filed of record in Llano County, Texas. Without limitation, the instrument of amendment may amend Section 5.1 hereof. Sections 4.4(a) and 4.4(b) hereof shall not be amended without the written consent of Lake LBJ Investment Corp., its successors or assigns. The instrument of amendment shall be deemed to be effective on the date the instrument is filed of record in Llano County, Texas. Any amendment to this Declaration shall be binding on all Lots and Owners after the effective date thereof, but shall only apply to any building or structures not started at the time of such effective date.

## 5.3 NOTICES

Any notice required to be sent to any Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed postpaid to the last known address of the person who appears as Owner on the records of Declarant (or after 50% of the Lots in the Subdivision have been deeded to the Owners thereof, excluding Declarant, as appears on the records of the Association) at the time of such mailing. This Section shall never be deemed to obligate Declarant and/or the Association to maintain records of addresses or to give notices. It shall be the duty of each Owner to keep Declarant, and the Association currently advised as to the address of Owner.

## 5.4 ASSIGNMENT AND DELEGATION

The term "Declarant" shall mean the above named Declarant, its successors and assigns, and shall include any person or entity to which Declarant may assign and/or delegate its rights and privileges, duties, and obligations hereunder, which rights, privileges, duties, and obligations are and shall be assignable. In this connection, Declarant shall have the right, but not the obligation, to assign its rights and privileges, duties, and obligations, in whole or in part, to any person, corporation, civic group, and/or the Association. Declarant shall be relieved of any and all responsibility under the Declaration if and to the extent Declarant shall make such assignments.

## 5.5 SEVERABILITY

In the event that any of the provisions of this Declaration conflict with any other provisions hereof and/or with the applicable Plat, the more restrictive provisions shall govern. In this connection, without limitation, Declarant shall have the right at its election to impose additional special conditions on any Lot or Land, which special conditions, if any, shall be set forth on the face of the Plat and/or in a separate instrument filed at the same time and in connection with said Plat. Said additional special conditions shall be binding on the particular Lot or Land covered thereby and shall be deemed to be part of the conditions of this Declaration.

## 5.6 ENFORCEMENT

If any Owner of any Lot or Land shall violate or attempt to violate this Declaration or any of the Conditions or covenants herein, it shall be lawful for Declarant, the Committee or any members thereof, the Association, or any Owner of any Lot or Land in the Subdivision to prosecute any proceeding at law or in equity against the person or persons violating or attempting to violate this Declaration or any such Conditions or covenants and to prevent such violation or threat of violation and/or to recover damages for such violation or threat of violation, including reasonable attorney's fees and in general to pursue and seek such other remedies and/or relief as may be permitted at law and/or in equity, including, without limitation, specific performance. Without limitation, in order to enhance and protect the value of the Lots and Land described herein, the right to prosecute any proceeding at law or in equity against any person or

persons violating or attempting to violate any conditions either to prevent such violations or to recover damages or other dues for each violation is also expressly reserved to Declarant; however, this section shall never be deemed to obligate Declarant to threaten or prosecute any proceeding in law or equity, or otherwise enforce this Declaration or the Conditions.

Breach of any of the Conditions or covenants hereof by any Owner shall not in anywise affect any valid mortgage or lien made by said Owner or a predecessor or successor in title of such Owner; provided said mortgage or lien was made in good faith and for value and not made for the purpose of defeating the purposes of such Conditions or covenants.

IN WITNESS WHEREOF, Lake Lyndon B. Johnson Improvement Corporation has caused its corporate name and seal to be hereunto affixed by its officers thereunto duly authorized, in the execution of this Declaration of Reservations for the purposes herein stated this 9th day of MARCH, 1996.

LAKE LYNDON B. JOHNSON IMPROVEMENT CORPORATION  
A Texas Corporation


BY: [Signature]  
Wayne Hurd  
President

THE STATE OF TEXAS, COUNTY OF LLANO  
HEREBY CERTIFY THAT THE INSTRUMENT WAS  
FILED ON THE DATE AND TIME STAMPED HEREON BY  
ME AND WAS DULY RECORDED IN VOL. 719 PAGE  
334-351 OF THE OFFICIAL PUBLIC RECORDS  
OF REAL PROPERTY OF LLANO COUNTY, TEXAS ON  
Mar 11, 1996

THE STATE OF TEXAS )  
COUNTY OF LLANO )

[Signature]  
BETTE SUE HOY, COUNTY CLERK  
LLANO COUNTY, TEXAS

This instrument was acknowledged before me on the 9th day of March  
1996, by Wayne Hurd, President of Lake Lyndon B. Johnson Improvement  
Corporation, a Texas corporation, on behalf of said corporation.

 BETTY SUE STANBERRY  
Notary Public, State of Texas  
My Commission Expires  
JULY 21, 1999

[Signature]  
NOTARY PUBLIC  
In and for the State of Texas  
My Commission Expires: 7-21-99

FILED FOR RECORD  
AT 9:31 AM  
MAR 11 1996

BETTE SUE HOY CO CLK  
LLANO CO TEXAS  
BY [Signature] DEPUTY  
Willis #4302

18  
VOL 0719 PAGE 351