



DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR
KNOLLWOOD ON THE COLORADO, SECTION ONE
TRAVIS COUNTY, TEXAS

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

THAT this Declaration is made on the date hereinafter set forth by MORNINGWOOD INVESTMENTS L.P. a Texas limited partnership, and by and through its general partner MORNINGWOOD DEVELOPMENT LLC., A Texas limited liability corporation (hereinafter referred to as "Declarant"), and is as follows:

WITNESSETH:

WHEREAS, Declarant is the owner of that certain real property known as Knollwood on the Colorado, Section one, a subdivision in Travis County, Texas, according to the map or plat (hereinafter referred to as "Plat") thereof recorded in Document number 20080624 of the Plat Records of Travis County, Texas; and

WHEREAS, it is deemed to be in the best interests of Declarant and any other persons who may purchase property in Knollwood on the Colorado, Section one, that there be established and maintained a uniform plan for the improvement and development of Knollwood on the Colorado, Section 1, as a highly restricted and modern subdivision of the highest quality;

NOW, THEREFORE, Declarant hereby declares that all of the properties described above as being owned by Declarant in Knollwood on the Colorado, Section one, shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of said real property. These easements, covenants, restrictions and conditions shall run with said real property and be binding upon all parties having or acquiring any right, title or interest in a Lot, as hereinafter defined, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I
DEFINITIONS

The following words, when used in this Declaration of Covenants, Conditions and Restrictions, shall have the following meanings:

Section 1. "Association" shall mean and refer to Knollwood on the Colorado Homeowners Association, Inc., a Texas nonprofit corporation, its successors and assigns.

Section 2. "Common Area" shall mean and refer to that property owned or to be acquired by the Association and shall include, but is not limited to, all recreational facilities, community facilities, swimming pools, storage facilities, pumps, trees, landscaping, sprinkler systems, pavement, streets, pipes, wires, conduits, drainage areas, detention ponds and other public utility lines situated thereon.

Section 3. "Declarant" shall mean and refer to Morningwood Investments, L.P. a Texas limited partnership, its successors and assigns, provided such successors and assigns (i) acquire more than one Lot in the Subdivision for purposes of development or resale and (ii) are designated as a Declarant by an instrument in writing executed by Morningwood Investments L.P., and filed of record in the Official Public Records of Real Property of Travis County, Texas.

Section 4. "Lot" shall mean and refer to any of the numbered lots shown on the Subdivision Plat or any replat thereof.

Section 5. "Living Unit" shall mean and refer to any improvements on a Lot which are designed and intended for occupancy and use as a residence by one person, by a single family, or by persons living together as a single housekeeping unit; provided, however, the term "Living Unit" shall not include a garage constructed on the Lot which is detached from the other improvements on the Lot.

Section 6. "Occupied Lot" shall mean and refer to any Lot on which there is a Living Unit in which one or more persons are residing.

Section 7. "Member" shall mean and refer to every person or entity that holds a membership in the Association.

Section 8. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any Lot which is a part of the Subdivision, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation. However, the term "Owner" shall include any mortgagee or lien holder who acquires fee simple title to any Lot through judicial or nonjudicial foreclosure.

Section 9. "Subdivision" shall mean and refer to that certain real property within the perimeters of the legal description of Knollwood on the Colorado, Section one, a subdivision in Travis County, Texas, as set forth on the Plat thereof recorded in Document number 200800244, Plat Records of Travis County, Texas.

ARTICLE II PROPERTY RIGHTS

Section 1. Owner's Easement of Access and Enjoyment. Every Owner shall have an easement of access and a right and easement of enjoyment in and to Common Areas and such easement shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

- (a) The right of the Association to charge a reasonable admission and other fees for the use of any recreational facilities situated on the Common Area;
- (b) The right of the Association to suspend a Member's voting rights and right to use the recreational and other facilities owned or operated by the Association, excluding domestic water, for any period during which any assessment against his Lot or any other sum due the Association by him remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations; and
- (c) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purpose and subject to such conditions as may be determined by the Association.

Section 2. Delegation of Use. Any Owner may delegate in accordance with the Bylaws of the Association, his right of enjoyment to the Common Area and facilities to members of his family, his tenants, or contract purchasers who reside on the Lot owned by him. The Declarant, for each Lot owned within the Subdivision, hereby covenants, and each Owner of any Lot, by acceptance of a Deed therefore, whether it shall be express in the Deed or the evidence of the conveyance, is deemed to covenant that any lease executed on a Lot shall be in writing and contain provisions binding any lessee thereunder to the terms of this Declaration of Covenants, Conditions and Restrictions and any rules and regulations published by the Association applicable to the Common Area and further providing that noncompliance with these terms of the lease shall be a default thereunder.

Section 3. Title to the Common Area. The Common Area shall be owned by the Association or its successors, it being agreed that this provision is necessary in order to preserve the rights of the Owners with respect to the operation and management of the Common Area. Notwithstanding the above, the Declarant reserves the right to grant, convey, dedicate or reserve easements over, on or under the Common Area for utility services as set forth in Article XI, Section 1 hereof.

ARTICLE III
MEMBERSHIP AND VOTING RIGHTS

Section 1. Organization. Declarant shall, when it is deemed appropriate by Declarant, cause the Association to be organized and formed as a nonprofit corporation under the laws of the State of Texas. The principal purposes of the Association shall be the collection, expenditure and management of the maintenance funds, enforcement of this Declaration, providing for the maintenance, preservation and architectural control (when the powers of the Committee terminate and the Committee's powers vest in the Association) within the Subdivision, the general overall supervision of all of the affairs and well being of the Subdivision and other Subdivisions within its jurisdiction and the promotion of the health, safety and welfare of the residents within the Subdivision and other Subdivisions within its jurisdiction. Until the Association is so organized, Declarant shall enjoy all of the rights which would otherwise be exercised by the Association hereunder.

Section 2. Membership. Every person or entity that is a record owner of a fee or undivided fee interest in a Lot which is a part of the Subdivision, including contract sellers, shall hold a membership in the Association. The foregoing is not intended to include persons or entities that hold an interest in a Lot merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of a Lot. Ownership of a Lot shall be the sole qualification for membership. Any mortgagee or lienholder who acquires title to any Lot, which is a part of the Subdivision, through judicial or nonjudicial foreclosure, shall be a Member of the Association.

Section 3. Board of Directors. The Association shall act through a Board of Directors who will manage the affairs of the Association as specified in the Bylaws of the Association.

Section 4. Voting Rights. There shall be two classes of membership entitled to voting rights in the Association with respect to the Subdivision and they shall be as follows:

- (a) **Class A:** All Owners, other than Declarant, shall be considered Class A Members, and for each Lot owned shall be entitled to one (1) vote on each matter coming before the Members at any meeting or otherwise, unless their voting rights have been suspended by the Board of Directors as hereinabove provided in Article II, Section 1(b). When a particular Lot is owned by more than one individual or entity, all the individuals or entities holding an ownership interest in that Lot shall be considered Class A Members, however, for that particular Lot they shall be entitled to a total of no more than one vote on each matter coming before the Members at any meeting or otherwise. The vote for such Lot shall be exercised as they among themselves determined.
- (b) **Class B:** Class B Members shall be the Declarant, and for each Lot owned it shall be entitled to twenty (20) votes on each matter coming before the Members at any meeting or otherwise. Once a Lot is sold to an individual or individuals who would be classified as Class A Members, subject to paragraph (c) below, the twenty (20) votes attached to the Lot shall be extinguished, subject to paragraph (c) below. All Class B memberships with respect to the Subdivision shall cease and be automatically converted into Class A Memberships on the happening of any of the following events, whichever occurs earlier:
 - (i) When the total number of votes entitled to be cast by the Class A Members, with respect to the Subdivision, at any meeting of the Members or otherwise equals the total number of votes entitled to be cast by the Class B Members, with respect to the Subdivision;
 - (ii) Ten (10) years from the date this Declaration of Covenants, Conditions and Restrictions is filed with the County Clerk of Travis County, Texas, for recordation in the Official Public Records of Real Property of Travis County, Texas; or
 - (iii) At such earlier time as the Class B Member, in its sole discretion, shall elect.

- (c) Reinstatement of Class B Members. Notwithstanding the prior provisions of paragraph (b) above, if additional land is subject to the jurisdiction of the Association such that the Declarant owns more than 10% of all lots, then the provisions in the first sentence of paragraph (b) above shall be automatically reinstated ipso facto.

ARTICLE IV COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation for Assessment. The Declarant, for each Lot within the Subdivision which shall be or thereafter become subject to the assessments hereinafter provided for, hereby covenants, and each Owner of any Lot that shall be or thereafter become assessable, by acceptance of a Deed therefore, whether or not it shall be express in the Deed or other evidence of the conveyance, is deemed to covenant and agree to pay the Association the following:

- (a) Annual assessments or charges;
- (b) Special assessments for capital improvements; and

(c) Any other sums to the extent they are specifically provided for elsewhere in this instrument. Such assessments or charges are to be fixed, established and collected as hereinafter provided. These charges and assessments, together with such interest thereon and cost of collection thereof, as hereinafter provided, shall be a charge on the land and shall be secured by a continuing lien upon the Lot against which such assessments or charges are made. Each such assessment or charge, together with such interest, costs and reasonable attorney's fees shall also be and remain the personal obligation of the individual or individuals who owned the particular Lot at the time the assessment or charge fell due notwithstanding any subsequent transfer of title to such Lot. The personal obligation for delinquent assessments and charges shall not pass to successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents of the Subdivision. Without limiting the foregoing, the total assessments accumulated by the Association, insofar as the same may be sufficient, shall be applied toward the payment of all taxes, insurance premiums and repair, maintenance and acquisition expenses incurred by the Association and, at the option of the Board of Directors of the Association, for any or all of the following purposes: lighting, improving and maintaining signs, streets, alleyways, sidewalks, paths, parks, parkways, any entry fence, monuments and/or signage, easements, and drainage areas in the Subdivision and in other subdivisions within its jurisdiction; collecting and disposing of garbage, ashes, rubbish and materials of a similar nature; payment of legal and all other expenses incurred in connection with the collection, enforcement and administration of all assessments and charges and in connection with the enforcement of this Declaration of Covenants, Conditions and Restrictions; employing policemen or watchmen and/or a security service; fogging and furnishing other general insecticide services; providing the planting and upkeep of trees and shrubbery in any of the Common Areas; acquiring and maintaining any amenities or recreational facilities that are or will be operated in whole or in part for the benefit of the Owners; and doing any other thing necessary or desirable in the opinion of the Board of Directors of the Association to keep and maintain the property in the Subdivision and in other subdivisions within its jurisdiction in neat and good order, or which they consider of general benefit to the Owners or occupants of the Subdivision and in other subdivisions within its jurisdiction, including the establishment and maintenance of a reserve for repair, maintenance, taxes, insurance and other charges as specified herein. Such funds may also be used to repair, maintain and restore abandoned or neglected residences and Lots as hereinafter provided. The judgment of the Board of Directors of the Association in establishing annual assessments, special assessments and other charges and in the expenditure of said funds shall be final and conclusive so long as said judgment is exercised in good faith.

Section 3. Basis and Maximum Level of Annual Assessments. Until January 1, of the year immediately following the conveyance of the first Lot from Declarant to an Owner, the maximum annual assessment shall be Two Hundred and No/100 Dollars (\$200.00) per Lot. From and after January 1 of the year immediately following the conveyance of the first Lot from Declarant to an Owner, the maximum annual assessment may be increased by the Board of Directors of the Association, effective January 1 of each year, in conformance with the rise, if any, in

the Consumer Price Index for the "All Urban Consumer" Index (U.S. Average) (base year 1967 = 100) published by the Department of Labor, Washington, D.C. for the year ended the preceding June 30th or alternatively, by an amount equal to the difference between the then current assessment and the projected assessment calculated by increasing the original assessment set forth herein by an amount equal to 10% compounded annually for each year from the date hereof, whichever is greater, without a vote of the Members of the Association. From and after January 1 of the year immediately following the conveyance of the first Lot by Declarant to an Owner, the maximum annual assessment may be increased above that established by the Consumer Price Index formula or the above mentioned percentage increase only by written approval of the Owners of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose. After consideration of current maintenance costs and future needs of the Association, the Board of Directors may fix the annual assessment at an amount not in excess of the maximum amount approved by the Owners.

Section 4. Special Assessments for Capital Improvement. In addition to the annual assessment authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction or unexpected repair or replacement of a particular capital improvement located upon the Common Area, easements or drainage area, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the written approval of two-thirds (2/3) of the votes of each class of Members who are voting in person or by proxy, at a meeting duly called for this purpose.

Section 5. Notice of Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting of the Members of the Association called for the purpose of taking any action authorized under Sections 3 and 4 of this Article shall be sent to all members and shall be posted at a public place within the Subdivision not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of the Members holding sixty percent (60%) of all membership votes entitled to be cast in each membership class or their proxies shall constitute a quorum. If the required quorum is not present, additional meetings may be called subject to the same notice requirements and the required quorum at each subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than (60) days following the preceding meeting.

Section 6. Rates of Assessments. Both annual and special assessments on all Lots, must be fixed at uniform rates as outlined below. It is expressly provided that Declarant is exempt from any assessment on lots which it owns:

- (a) **Occupied Lots:** Those Lots containing an occupied Living Unit (that is, a Living Unit that has been initially occupied, although it may no longer be occupied) shall be assessed the full assessment as set by the Board of Directors of the Association;
- (b) **Completed Living Unit:** Those Lots conveyed from builder to subsequent purchaser shall pay the full assessment, as set by the Board of Directors of the Association, during the year the builder conveys title to subsequent owner; and
- (c) **Vacant Lots:** Those Lots, which are vacant or upon which a residence is under construction shall be assessed one half (1/2) any assessment any set by the Board of Directors of the Association.

Section 7. Date of Commencement and Determination of Annual Assessment. The annual assessment provided for herein shall commence as to all Lots on a date fixed by the Board of Directors of the Association. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. On or before the 30th day of November in each year, the Board of Directors of the Association shall fix the amount of the annual assessment to be levied against each Lot in the next calendar year. Written notice of the figure at which the Board of Directors of the Association has set the annual assessment shall be sent to every Owner whose Lot is subject to the payment thereof. However, the failure by the Board of Directors of the Association to fix an annual assessment for any year will not be deemed a waiver with respect to any of the provisions of this Declaration or a release of liability of any Owner to pay annual assessments, or any installments thereof, for that or any subsequent year. In the event of such failure, each Owner shall continue to pay the annual assessment established for the previous year until the new annual assessment is established. The new annual assessment established by the Board

of Directors of the Association shall be applied retroactively to the commencement of the then current assessment year and the deficit shall be paid by each Owner within thirty (30) days after receipt of a statement therefore. Assessments shall be due and payable yearly in advance on the first day of January or as directed by the Board of Directors of the Association. The Association shall, upon demand, and for reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a particular Lot is binding upon the Association as of the date of its issuance.

Section 8. Effect of Nonpayment of Assessments; Remedies of the Association. Any assessments or charges, which are not paid when due, shall be delinquent. If an assessment or charge is not paid within thirty (30) days after the due date, it shall bear interest from the due date of the lesser of (i) eighteen percent (18%) per annum or (ii) the maximum rate permitted by law, and the Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien herein retained against the Lot. Interest, costs and reasonable attorney's fees incurred in any such action shall be added to the amount of such assessment or charge. In order to secure the payment of the assessments or charges hereby levied, a vendor's lien for the benefit of the Association, shall be and is hereby reserved in the Deed from the Declarant to the purchaser of each Lot or portion thereof, which lien shall be enforceable through appropriate judicial and nonjudicial proceedings by the Association. As additional security for the payment of the assessments hereby levied, each Owner of a Lot in the Subdivision, by such party's acceptance of a deed thereto, hereby grants the Association a lien on such Lot which may be foreclosed on by a nonjudicial foreclosure and pursuant to the provisions of Section 51.002 of the Texas Property Code (and any successor statute); and each such Owner hereby expressly grants the Association a power of sale in connection therewith. The Association shall, whenever it proceeds with nonjudicial foreclosure pursuant to the provisions of said Section 51.002 of the Texas Property Code and said power of sale, designate in writing a Trustee to post or cause to be posted all required notices of such foreclosure sale and to conduct such foreclosure sale. The Trustee may be changed at any time and from time to time by the Association by means of a written instrument executed by the President or any Vice President of the Association and filed for record in the Official Public Records of Travis County, Texas. In the event that the Association has determined to non-judicially foreclose the lien provided herein pursuant to the provisions of said Section 51.002 of the Texas Property Code and to exercise the power of sale hereby granted, the Association shall mail to the defaulting Owner a copy of the notice of Trustee's Sale not less than twenty-one (21) days prior to the date of which sale is scheduled by posting such notice through the U.S. Postal Service, postage prepaid, registered or certified, return receipt request, properly addressed to such Owner at the last known address of such Owner according to the records of the Association. If required by law, the Association or Trustee shall also cause a copy of the Notice of Trustee's Sale to be recorded in the Official Public Records of Travis County, Texas. Out of the proceeds of such sale, there shall first be paid all expenses incurred by the Association in connection with such default, including reasonable attorney's fees and a reasonable trustee's fee; second, from such proceeds there shall be paid to the Association an amount equal to the amount in default; third, any amounts required by law to be paid before payment to the Owner; and, fourth, the remaining balance shall be paid to such Owner. Following any such foreclosure, each occupant of any such Lot foreclosed on and each occupant of any improvements thereon shall be deemed to be a tenant at sufferance and may be removed from possession by any and all lawful means, including a judgment for possession in an action of forcible detainer and the issuance of a writ of restitution thereunder.

In addition to foreclosing the lien hereby retained, in the event of nonpayment by any Owner of such Owner's portion of any assessment, the Association may, acting through the Board, upon ten (10) days prior written notice thereof to such nonpaying Owner, in addition to all other rights and remedies available at law or otherwise, restrict the rights of such nonpaying owner to use the Common Areas, if any, in such manner as the Association deems fit or appropriate and/or suspend the voting rights of such nonpaying Owner so long as such default exists.

It is the intent of the provisions of this Section 8 to comply with the provisions of said Section 51.002 of the Texas Property Code relating to nonjudicial sales by power of sale and, in the event of the amendment of said Section 51.002 of the Texas Property Code hereafter, the President or any Vice President of the Association, acting without joinder of any other Owner or mortgagee or other person may, by amendment to this Declaration filed in the Official Public Records of Travis County, Texas, amend the provisions hereof so as to comply with said amendments to Section 51.002 of the Texas Property Code.

No Owner may waiver or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot. In addition to the above rights, the Association shall have the right to refuse to provide the services of the Association to any Owner who is delinquent in the payment of the above described assessments.

Section 9. Subordination of the Lien to Mortgages. As hereinabove provided, the title to each Lot shall be subject to a vendor's lien and power of sale securing the payment of all assessments and charges due the Association, but said vendor's lien and power of sale shall be subordinate to any valid purchase money lien or mortgage covering a Lot and any valid lien securing the cost of construction of home improvements. Sale or transfer of any Lot shall not affect said vendor's lien or power of sale. However, the sale or transfer of any Lot pursuant to a judicial or nonjudicial foreclosure under a purchase money lien or lien securing the cost of construction of home improvements shall extinguish the vendor's lien and power of sale securing such assessment or charge only as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot or the Owner thereof from liability from any charges or assessments thereafter becoming due or from the lien thereof. No extinguishment of the vendor's lien and power of sale shall relieve the delinquent Owner from his personal obligation and liability therefore. In addition to the automatic subordination provided hereinabove, the Association, in the discretion of its Board of Directors, may subordinate the lien securing any assessment provided for herein to any other mortgage, lien or encumbrance, subject to such limitations, if any, as such Board may determined.

Section 10. Exempt Property. All properties dedicated to, and accepted by, a local public authority and devoted to public use and all properties owned by a charitable or nonprofit organization exempt from taxation by the laws of the State of Texas shall be exempt from the assessments and charges created herein. Notwithstanding the foregoing, no Lot, which is used as a residence, shall be exempt from said assessments and charges.

ARTICLE V INSURANCE

The Association, through the Board of Directors, or its duly authorized agent, shall have the authority to obtain the following types of insurance policies:

- (a) Property insurance covering the Common Area, easements and esplanades and all improvements thereon in an amount equal to the full replacement value of the improvements and facilities located upon the Common Area, easements and esplanades and owned by the Association (including all building service equipment and the like) with an "agreed amount endorsement" or its equivalent, a "demolition endorsement" or its equivalent and, if necessary an "increased cost of construction endorsement" or "contingent liability from operation of building laws endorsement" or the equivalent, affording protection against loss or damage by fire and other hazards covered by the standard extended coverage endorsement in Texas, and by sprinkler leakage, debris removal, cost of demolition, vandalism, malicious mischief, windstorm, and water damage, and any such other risk as shall customarily be covered with respect to projects similar in construction, location and use;
- (b) A comprehensive policy of public liability insurance covering all of the Common Area, easements and esplanades, and insuring the Association, within such limits as it may consider acceptable (for all claims for personal injury and/or property damage arising out of a single occurrence); such coverage to include protection against water damage liability, liability for nonowner and hired automobiles, liability for property of others, and any other coverage the Association deems prudent and which is customarily carried with respect to projects similar in construction, location and use; and
- (c) A policy of fidelity coverage to protect against dishonest acts on the part of officers, directors, trustees, and employees of the Association and all others who handle, or are responsible for handling funds of the ASSOCIATION; such fidelity bonds shall be of the kind and in an amount the Association deems necessary for the protection of the Owners. Premiums for all such insurance policies carried by the Association shall be a common expense payable from the annual

assessments on all of the Lots. Liability and property insurance for Lots and the contents of residences shall be the responsibility of each individual Owner. All proceeds from policies held by the Association shall be deposited in a bank or other financial institution, the accounts of which bank or institution are insured by a federal governmental agency, with the provision agreed to by said bank or institution that such funds may be withdrawn only by signature of at least two (2) of the members of the Board of Directors, or by an agent duly authorized by the Board of Directors. In no event shall the insurance company or the bank or other financial institution holding proceeds on a policy issued in the name of the Association be authorized to distribute any proceeds therefrom to the Declarant. Proceeds from such policies shall be used by the Association only for the benefit of its Members and where such proceeds arise out of an occurrence in which a building or improvement owned by the Association is damaged or destroyed, they shall be used to repair, restore and rebuild such building or improvements. In the latter event, the Board of Directors shall advertise for sealed bids from contractors, and acceptance of a bid received thereby, may negotiate with the contractor, who shall, unless waived by the Board of Directors, be required to provide a full performance and payment bond for the repair, reconstruction or rebuilding of such destroyed improvements or buildings. In the event the insurance proceeds are insufficient to pay all costs of repairing and/or rebuilding said improvements to their original condition, the Association shall levy a special assessment for capital improvements against all owners to make up the deficiency. This shall be done only after compliance with all the requirements for imposition of special assessments.

ARTICLE VI ARCHITECTURAL CONTROL

Section 1. Architectural Control Committee. There is hereby created an Architectural Control Committee (herein referred to as the "Committee") comprised of Bob Tims, Ken Blaker, and Tom Lynch, each of who shall serve until his successor is appointed. Any two (2) of the members of the Committee shall have the full authority and power to act for the Committee. Any member of the committee may be removed, with or without cause, by the Declarant. In the event any member of the Committee should be so removed from the Committee or if any member of the Committee should die, resign, refuse to act, or become unable or ineligible to act, Declarant shall have the authority to designate a successor. No member of the Committee or its designated representative(s), as herein defined, shall be entitled to any compensation for services performed pursuant to this Article. The Committee may, however, employ one or more architects, engineers, attorneys or other consultants to assist the Committee in carrying out its duties hereunder, and the Association shall pay such consultants for such services as they render to the Committee. A majority of the Committee may designate one or more representative(s) to act for it and such representative(s) shall have the full right, authority, and power to carry out the functions of the Committee.

Section 2. Duties and Powers. The purpose of the Committee is to protect the environmental and architectural integrity of the Subdivision in accordance with the provisions of this Declaration. No building, fence, wall or other structure or improvement of any nature shall be placed, constructed, erected or maintained on any Lot, nor shall any exterior addition to or change or alteration therein be made until the construction plans and specifications for the same shall have been submitted to and approved in writing by the Committee as to (a) conformity and harmony of external design and location in relation to surrounding structures and topography, and (b) quality of workmanship and materials. Any plans and specifications to be submitted shall specify, in such form as the Committee may reasonably require, the location upon the Lot where the improvements are to be placed and the dimensions thereof as well as appropriate information concerning the structural, mechanical, electrical and plumbing details and the nature, kind, shape, heights, color scheme and materials of the proposed improvements or alterations. The Committee shall also have the right, where not otherwise set forth herein, to specify:

- (a) Minimum setbacks;
- (b) The location, heights and extent of fences, walls, or other screening devices;
- (c) The orientation of structures and landscaping on Lots with respect to streets, walks and structures on adjacent properties, however, the Committee shall not require setbacks further away from the streets than any platted building line; and

- (d) A limited number of acceptable exterior materials and/or finishes that may be used in the construction, alteration or repair of any improvement. Further, no person exercising any prerogative of approval or disapproval by the Committee shall incur any liability by reason of the good faith exercise thereof.

Section 3. Committee Approval. Any approval or disapproval by the Committee or its designated representative(s) on any of the above matters shall be in writing and either conveyed in person or by registered or certified mail, return receipt requested. In the event said Committee or its designated representative(s) fail to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, then such plans and specifications shall be deemed approved (except for any required variances as provided below). The Committee shall have the right, exercisable at its discretion, to grant variances to the architectural restrictions in specific instances where the Committee in good faith deems that such variance does not adversely affect the architectural and environmental integrity of the Subdivision or the common scheme of the development. If the Committee shall approve a request for variance, the Committee may evidence such approval, and grant its permission for such variance, only by written instrument, addressed to the Owner of the Lot(s) relative to which such variance has been requested, describing the applicable restrictive covenant(s) and the particular variance requested, expressing the decision of the Committee to permit the variance, describing (when applicable) the conditions on which the variance has been approved and signed by a majority of the then members of the Committee. If any such variances are granted, no violation of the provisions of this Declaration shall be deemed to have occurred with respect to the matter for which the variance is granted; provided, however, that the granting of a variance shall not operate to waive any of the provisions of this Declaration for any purpose except as to the particular property and particular provisions hereof covered by the variance, nor shall the granting of any variance affect in any way the Owner's obligation to comply with all governmental laws and regulations affecting the Lots and with the Plat. Failure by the Committee to respond within thirty (30) days to the request for a variance shall operate as a denial of the variance.

Section 4. Term. The duties and powers of the members of the Committee herein named, their successors, assigns and designated representative(s) shall cease on the earlier of twenty (20) years from the date this Declaration of Covenants, Conditions and Restrictions is recorded in the Official Public Records of Real Property of Travis County, Texas, or the date upon which all Lots subject to the jurisdiction of the Association become Occupied Lots. thereafter, the duties and powers of the Committee shall vest in the Board of Directors of the Association or an Architectural Control Committee composed of three (3) or more representatives appointed by the Board of Directors of the Association. The approval required in this Article and the duties and powers vested in the Committee and its successors shall continue so long as this Declaration of Covenants, Conditions and Restrictions remains in force and effect. The then current members of the Committee may at any time voluntarily transfer all their duties and powers to the Board of Directors of the Association. To be effective, such a transfer shall be evidenced by a document executed by each of the then current members of the Committee.

Section 5. No Implied Waiver or Estoppel. No action or failure to act by the Committee or by the Board of Directors shall constitute a waiver or estoppel with respect to future action by the Committee or Board of Directors with respect to the construction of any improvements within the Subdivision. Specifically, the approval by the Committee or Board of Directors of any such residential construction shall not be deemed a waiver of any right or an estoppel to withhold approval or consent for any similar residential construction or any similar proposals, plans, specifications or other materials submitted with respect to any other residential construction by such person or other Owner.

ARTICLE VII EXTERIOR MAINTENANCE

Section 1. Obligation. All Living Units and other buildings located within the Subdivision must be kept in good repair and must be painted when necessary to preserve their attractiveness. Grass, vegetation and weeds on each Lot shall be cut as often as may be necessary to maintain the same in a neat and attractive condition. All damaged, diseased beyond recovery or dead trees shall be cut and removed from any Lot at the expense of the Owner. Vacant Lots shall be mowed and maintained in appearance by the Owner and shall not be used as dumping grounds for rubbish, trash, rubble or soil, except that Declarant or the Committee may designate fill areas into which

materials specified by Declarant or the Committee may be placed. The Association may plant, install and maintain shrubbery and other screening devices around boxes, transformers and other aboveground utility equipment. The Association shall have the right to enter upon the Lots to plant, install, maintain and replace such shrubbery or other screening devices. Owners of residences shall construct and maintain a fence or other suitable enclosure to screen from public view the drying of clothes, yard equipment and woodpiles or storage piles.

Section 2. Failure to Maintain. In the event any Owner of any Lot in the Subdivision fails to maintain the Lot and the improvements situated thereon in a manner satisfactory to the Board of Directors of the Association, the Association, after seven (7) days notice to the Owner of said Lot, setting forth the action intended to be taken by the Association and after approval by a two-thirds (2/3) vote of the Board of Directors, shall have the right (but not the obligation), through its agents and employees, to enter upon said Lot and to repair, maintain and restore the Lot and the exterior of the buildings and any other improvements located thereon. To the extent necessary to prevent rat infestation, diminish fire hazards and accomplish any of the above needed repair, maintenance and restoration, the Association shall have the right (but not the obligation), through its agents and employees, to enter any residence or improvement located upon such Lot. Neither the Association or its agents or employees shall be liable, and are expressly relieved from any liability for trespass or other tort in connection with the performance of the exterior maintenance and other work authorized in this Article. The cost of such exterior maintenance and other work shall be the personal obligation of the Owner of the Lot on which it was performed and shall become a part of the assessment payable by said Owner and secured by the liens herein retained.

ARTICLE VIII USE RESTRICTIONS

Section 1. Residential Use. Each and every Lot in the Subdivision is hereby restricted to site built residential dwellings for single-family residential use only, except those Lots designated as drainage lots, park lots and/or common area lots. As used herein, the term "residential use" shall be held and construed to exclude hospitals, clinics, apartments houses, manufactured houses, duplex houses, garage apartments used for rental purposes, boarding houses, hotels and commercial and professional uses whether from homes, residences, or otherwise, and all such uses of said property are hereby expressly prohibited.

Section 2. Business Activity. No business activities of any kind whatsoever shall be conducted in any portion of the Subdivision; provided, however, the foregoing covenant shall not apply to the business activities of the Declarant, its agents and assigns during the construction and sale period, or of the Association, its successors and assigns in furtherance of its powers and purposes as herein set forth. Each builder on Lots in the Subdivision shall be allowed to use the garage structure constructed on the Lot as an office; provided, however, that such structure must be converted back to a garage prior to the sale of the home on the Lot affected to a purchaser.

Section 3. Common Area. The Common Area shall not be used for any commercial purposes; however, this provision shall not preclude the Association from charging reasonable fees for the use of the recreational facilities, which are part of the Common Area.

Section 4. Exemption for Sale of Lots. Notwithstanding any provisions herein contained to the contrary, it shall be permissible for Declarant or the builder of any residence to maintain, during the period of construction and sale of Lots within the Subdivision, upon any portion of a Lot, such facilities as in the sole opinion of the Declarant may be reasonably required, convenient or incidental to the construction and sale of improved Lots, including, without limitation, a business office, storage area, construction yards, model units and a sales office.

Section 5. Animals and Livestock. The raising, breeding or keeping of animals, livestock or poultry of any kind on any Lot in the Subdivision is strictly prohibited; provided, however, consistent with the Living Unit's use as a residence, dogs, cats or other household pets may be kept on a Lot, provided they are not kept, bred or maintained for any commercial purposes and further provided, no more than three (3) such pets shall be kept on a Lot. All pets must be properly tagged for identification and penned in an approved enclosure. No pet may be chained or leashed outside an enclosure unless being walked on a leash. Whenever, a pet is removed from its enclosure, it must be in the possession of its owner or the owner's agent and must be restrained by a proper leash of chain, rope, plastic, leather or similar material.

Section 6. Mineral Production. No oil drilling, oil development operations or oil refining, quarrying or mining operations of any kind shall be permitted upon any portion of the Subdivision, nor any kind shall be permitted upon any portion of the Subdivision, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon any portion of the Subdivision. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any portion of the Subdivision.

Section 7. Disposal of Trash. No portion of the Subdivision shall be used or maintained as a dumping ground for rubbish, trash, garbage or other wastes. All rubbish, trash, garbage or other waste shall be kept in sanitary containers and out of sight of the Common Area and any street or adjacent Lot, except on days designated by the Association for pick-up of such garbage. In a manner consistent with good housekeeping, the Owner of each Lot shall remove such prohibited matter from his Lot at regular intervals at his expense. No incinerator may be maintained on any portion of the Subdivision.

Section 8. Storage of Vehicles. No recreation vehicles, commercial vehicles, boats, trailers, campers or inoperable automobiles shall be allowed to be parked within the streets, common area, front yard or any other area of the Subdivision, unless same are parked in garages and the garage doors remain closed except when in use. No portion of the front yards, streets or Common Area shall, without the express written permission of the Association, be used for any items, which the Association deems unsightly or inappropriate. No Owner of any Lot in the Subdivision or any visitor or guest of any Owner shall be permitted to perform work on any vehicle in any driveway, front yard or street other than for work of a temporary nature. For the purpose of the foregoing term, "temporary" shall mean that the vehicle shall not remain in a driveway or street in excess of twenty-four (24) hours. Garage doors shall be closed at all times, except for immediate entry or exit.

Section 9. Storage of Building Materials. No Lot shall be used for storage of any material except that required for landscaping or construction which materials shall not be placed or stored upon any Lot until the Owner is ready to commence construction of improvements on the Lot, at which time such materials shall be placed within the property lines of the Lot upon which the improvements are to be constructed, and shall not be placed in the street or upon any Common Areas.

Section 10. Signs. No advertising signs (except not more than one six (6) square foot "For Rent" or "For Sale" sign per Lot), billboards, unsightly objects, or nuisances shall be erected, placed or permitted to remain on any portion of the Subdivision. Declarant and the Association, however, shall have the right to erect identifying signs at each entrance of the Subdivision and Declarant may place and maintain, or permit to be placed and maintained, such builder advertising signs as it may desire in its sole discretion in connection with the construction of homes in the Subdivision. The Board of Directors of the Association shall have the right to approve the design and working of all signs and the right to enter in and upon any Lot for the purpose of removing any sign being maintained thereon which has to be approved by it. In no event shall the Association or its Board of Directors be liable to any person or persons for any damages of whatever nature for removing such signs in a reasonable manner.

Section 11. Clotheslines. No outside clothesline shall be constructed or maintained on any Lot within sight of the Common Area or any street or adjacent Lot.

Section 12. Nuisances. No noxious or offensive trade or activity shall be carried on upon any portion of the Subdivision, nor shall anything be done thereon which may become an annoyance or nuisance to the residents of the Subdivision or in any way endanger the health of the residents.

Section 13. Prohibited Conduct. No portion of the Subdivision shall be used for vicious, illegal or immoral conduct, or by any conduct in violation of the laws of the State of Texas, or the United States, or of the police, health, sanitary, building or fire codes, regulations or instructions relating to or affecting the use, occupancy or possession of any portion of the Subdivision.

Section 14. Control of Sewage Effluent. No outside toilets will be permitted, except temporarily during the construction of improvements, and no installation of any type of device for disposal of sewage shall be allowed that would result in raw or untreated or unsanitary sewage being carried into the streets or into any body of water. Drainage of storm waste into sewage pipes shall not be permitted. No septic tank or other means of sewage disposal will be permitted.

ARTICLE IX ARCHITECTURAL RESTRICTIONS

Section 1. Type of Living Unit. No building shall be erected, altered, placed or permitted to remain on any Lot other than a detached single family dwelling of not more than two (2) stories and the maximum height of residential structures shall be 40 feet. All structures shall be of new construction and no structure shall be moved from another location onto any Lot.

Section 1.1. Adequacy of Parking. Each lot shall provide adequate parking spaces sufficient to accommodate all parking needs for the intended uses within each lot. Not less than fifty (50%) percent of the lots shall have a minimum of four (4) parking spaces, two of which may be in the garage. Not more than fifty (50%) percent shall have a minimum of three (3) parking spaces one of which may be in the garage. No garage shall be converted into bedrooms, dens, studies or any living areas for the occupants; provided, however, builders may temporarily convert the garage if used as a model home, such garage must be reconverted for the parking of automobiles within 90 days when no longer in use as a model home. Carports on Lots are not permitted.

Section 2. Type of Construction. The first floor exterior walls of residential structures will be constructed utilizing 75% masonry materials ie. brick, stone, stucco, cement lap siding material (excluding windows, doors, other openings and gables) on all residential structures. Further, this is defined as the front and two sides of all residential structures with the intent to exclude neo tradition all siding housing designs. The Architectural Control Committee of the Homeowners Association may grant variances to this provision to allow for the utilization of architectural elements to vary the "street scene" front elevations within the neighborhood and such that the resulting structure will not detract from the general appearance of the neighborhood. No garage or accessory building shall exceed in height the dwelling to which it is appurtenant without the written consent of the Committee. Every garage and permitted accessory building (except a greenhouse) shall correspond in style and architecture with the dwelling to which it is appurtenant. No structure of any kind or character that incorporates frame construction on the exterior shall be erected on any Lot unless such structure receives at least one coats of paint at the time of construction or the exterior is of redwood or cedar material.

Section 3. Dimensions of Living Unit. Unless otherwise approved by the Committee, no residential structure shall be erected, altered, placed or permitted to remain on any Lot located in the Subdivision unless its living area has a minimum of one thousand one hundred (1,100) square feet of usable floor space exclusive of porches and garage.

Section 4. Location of Living Unit on a Lot. The minimum building setback requirement shall be:

Front setback:	25 feet from front property line, as shown on recorded plat.
Rear setback:	10 feet from rear property line.
Interior Side setback:	5 feet from side property line.
Corner lot side setback:	15 feet from side property line or as shown on recorded plat

For the purpose of these restrictions, the front of each Lot shall coincide with and be the property line having the smallest dimension abutting a street. Each Living Unit will face the front of the Lot, and will be provided with driveway access from the front of the Lot only; except that garages on the corner Lots may face the side street. No dwelling shall be located on any Lot within any utility easement.

Section 4.1. Location of All Permanent Structures on a Lot. The following requirements are applicable to all permanent structures to a residential structure:

Number Permitted:	1
Maximum Height:	7 feet
Placement:	Rear Yard Only
Setbacks:	Side Street - 15 feet
	Interior Side Yard - 5 feet
	Rear Yard - 10 feet

Section 5. Metal Buildings. No metal buildings of any type shall be placed or constructed upon any Lot.

Section 6. Roof Material. Roof of all residences shall be constructed so that the exposed material is of a dimensional material and grade that complies with the FHA and VA guidelines in force on the date of construction of the roof involved, and of a color acceptable to the Committee.

Section 7. Driveways. Unless the Committee agrees otherwise, each Lot shall have driveway access of concrete to the street on which the Living Unit constructed thereon faces and shall not have driveway access to a street on which it may side. Subject to the foregoing limitation, the Owner of each Lot shall construct and maintain at his expense a driveway from his garage to an abutting street, including the portion of the street right-of-way. The Owner shall repair at his expense any damage to the street occasioned by connecting the driveway thereto.

Section 8. Sidewalks. If required by applicable federal, state or local jurisdiction, sidewalks shall be constructed by the builder or lot owner according to the controlling jurisdiction's ordinances. The sidewalk shall extend the full width of the Lot to the street curb at the corner. The sidewalk shall be constructed in accordance with specifications promulgated by the controlling jurisdiction, if any, or by the Committee if there is no controlling jurisdiction.

Section 9. Curb Ramps. If required by applicable federal, state or local jurisdiction, curbs with accompanying sidewalks shall have curb ramps (depressions in the sidewalk and curb) at all crosswalks to provide safe and convenient movement of physically handicapped persons confined to wheelchairs. Such curbs ramps will be provided at the time of construction of any sidewalks and shall be constructed in accordance with specifications provided by the applicable governmental authority.

Section 10. Screening Fences. All fences shall be constructed of wood or other material as approved by the Committee, not to exceed 6 feet in height and will be constructed with the finished side facing outward from each lot to the street. No fence will be allowed to be placed closer to the street than the front corners of the residence constructed on such lot. However, decorative fencing may be used in the front yard of model homes. Such fencing shall be removed immediately upon termination of the home as a model. The erection of chain link or decorative fencing is prohibited on all lots with the exception of Lots 10 – 31, Block F. Said Lots may only have chain link (vinyl coated) or decorative fencing along the rear property line, to facilitate views of open space, and must be approved by the ACC. Direct access from said Lots to open space areas must also be approved by the ACC. All fences must comply with regulations and ordinances promulgated by the local jurisdiction.

Section 10.1. Swimming Pool Fences. All swimming pools must be enclosed by a fence at least 72 inches in height with a self closing gate, and must comply with City, County and State regulations.

Section 11. Exterior Antennas. Without the prior written approval of the Committee, no exterior television antenna, television satellite reception disc or radio antenna of any sort shall be placed, allowed or maintained upon any portion of the improvements and structures to be located in the Subdivision or upon any Lot, other than one conventional television antenna, which antenna must be erected in such a manner so that it is not visible from the street. No permitted antenna shall exceed ten feet in height.

Section 12. Temporary Structures. No structures of a temporary character, including tents, shacks, barns, or other outbuildings shall be placed on any Lot located within the Subdivision except for such temporary buildings utilized by the Declarant or the builder or any residence during the period of construction. Trailers and motor vehicles shall not be used on any Lot at any time as a residence, either temporarily or permanently.

Section 13. Air Conditioners/Trash Receptacles. No window or wall type air conditioners visible from the street shall be permitted, except as may be used temporarily in the sales or construction offices of a builder. Trash receptacles (ie garbage and recycling bins) are required to be removed from street view within 24 hours of pickup.

Section 14. Mailboxes and Identifying Numbers. Mailboxes, house numbers and similar matter used in the Subdivision must be harmonious with the overall character and aesthetic appeal of the community and the decision of the Committee that any such matter is not harmonious shall be final.

Section 15. Private Utility Lines. All electrical, telephone and other utility lines and facilities, which are located on a Lot, and are not owned by a governmental entity or a public utility company shall be installed in underground conduits or other underground facilities unless otherwise approved in writing by the Committee.

Section 16. Solar Collectors. No solar collectors shall be installed without prior written approval of the Committee. Such installation shall be in harmony with the design of the residence. In general Solar collectors shall be installed in a location that is not visible from the public street in front of or to the side of any residence.

Section 17. Landscaping, Maintenance of Lawns, Plantings and Trees. Sprinkler systems and landscaping may be installed after completion of each Single Family Residential Dwelling, however, each Single Family Residential Dwelling shall have the front yard completely sodded with bermuda, buffalo grass or St. Augustine that is in good condition after completion. Each Owner shall keep all shrubs, trees, lawns, grass and plantings of every kind on such Owner's Lot cultivated, adequately watered and maintained, pruned and free of trash and other unsightly material. Each Owner shall trim and edge the grass along all driveways and sidewalks as often as may be required to maintain a clean, neat appearance. The Association and/or the Architectural Control Committee may adopt rules regulating landscaping permitted and required. In the event that any Owner shall fail to install and maintain landscaping in conformance with such rules or shall allow his landscaping to deteriorate to a dangerous, unsafe, unsightly or unattractive condition, the Association upon fifteen (15) days prior written notice to such Owner, shall have the right to correct such condition and to enter upon such Owner's property for the purpose of doing so, and such Owner shall promptly reimburse the Association for the cost thereof. Such cost shall be an assessment and shall create a lien enforceable in the same manner as other assessments as set forth in this Declaration. Vacant lots shall be mowed and maintained in appearance by the Owner.

Section 18. Lighting. Outdoor lighting shall be installed so as to not direct excessive, bright illumination into adjacent or neighboring residences. Individual lot street lighting, if any, shall consist of a uniform light standard as specified and described by the Architectural Control Committee, on each residential lot, supplied by each Owner and on a photocell or automatic time clock, connected to individual Homeowner meter, such light, as location, style, size, and type, shall be installed at time of construction of each single family residence and shall be subject to the approval of the Architectural Control Committee. No holiday or occasion lighting or decorations shall be installed earlier than thirty (30) days prior to occasion and must be removed no later than twenty (20) days after the event.

Section 19. Recreational Equipment. All playground and/or recreation equipment must be placed in the back yard unless otherwise approved by the Architectural Control Committee in writing before construction begins or such placement of the playground or recreational equipment on the lot in the Subdivision.

ARTICLE X MANAGEMENT AGREEMENTS

Each owner hereby agrees to be bound by the terms and conditions of all management agreements entered into by the Association for the management of the Common Area and the facilities located thereon. A copy of all such agreements shall be available to each Owner. Any and all management agreements entered into by the Association shall provide that the Association may cancel said management agreement by giving the other party thirty (30) days written notice when so authorized by the vote of a majority of the membership votes in the Association entitled to be cast at a meeting of the members or otherwise. In no event shall such management agreement be canceled prior to the time the Association or its Board of Directors negotiate and enter into a new management agreement which is to become operative immediately upon the cancellation of the preceding management agreement. It shall be the duty of the Association or its Board of Directors to effect a new management agreement prior to the expiration of any prior management contract. Any and all management agreements shall be for a term not to exceed one (1) year and shall be made with a professional and responsible party or parties with proven management skills and experience managing a project of this type.

ARTICLE XI EASEMENTS

Section 1. General. Declarant shall have the right to grant, convey, dedicate or reserve easements over, on or under any part of the land in the Subdivision for streets and/or for electric light and power, telephone, natural gas, water, sanitary sewer, storm sewer, cable television, and other utility lines and facilities by separate recordable document for a period of ten (10) years after the date this Declaration of Covenants, Conditions and Restrictions is filed of record in the Official Public Records of Real Property of Travis County, Texas, regardless of whether at such time Declarant has title to the land within the easement(s). Thereafter, the Association shall have the power and authority to grant such an easement upon the vote of a majority of the membership votes entitled to be cast at any meeting of the Members of the Association or otherwise. An easement is also specifically granted to the United States Post office, its agents and employees to enter upon any portion of the Subdivision in performance of mail delivery or any other United States Post Offices services. An easement is also granted to all police, fire protection, ambulance and similar persons to enter upon any portion of the Subdivision in performance of their duties. Further, an easement is hereby granted to the Association, its officers, agents, employees, and to any management company duly selected by the Association, to enter in or cross over the Common Area and/or any Lot to perform the duties of maintenance and repair as provided for herein. The easements provided for in this Article shall in no way affect any other recorded easements covering any portion of the Subdivision.

Section 2. Cable Service. Declarant reserves the right to hereafter enter into a franchise or similar type agreement with one or more cable television companies and Declarant shall have the right and power in such agreement or agreements to grant such cable television company or companies the uninterrupted right to install and maintain communications cable and related ancillary equipment and appurtenances within the utility easements or rights-of-way reserved and dedicated herein and in the Plat referenced above.

ARTICLE XII ANNEXATION

Additional residential property and Common Area may be annexed into the jurisdiction of the Association upon the favorable majority vote of fifty one (51%) of the membership votes entitled to be cast by each membership class at a meeting of the members or otherwise; provided, however, that the additional residential property or Common Area that is a part of a the Knollwood on the Colorado Preliminary Plan (City of Austin file # C8-2007-0135), (containing $\pm$ 255 residential lots) may be annexed by the Declarant without approval by members of the Association. Additional residential property or Common Area that is a part of and consistent with the General Plan may be annexed by the Declarant without approval by members of the Association. Annexation of additional property to this Subdivision shall encumber said property with all of the covenants, conditions, restrictions, reservations, liens and charges set forth in this Declaration of Covenants, Conditions and Restrictions and shall become to a subdivision or a planned effective on the date an instrument signed and acknowledged by the owner of said annexed property and the appropriate annexing authority (either Declarant or the Association), is filed for record in Travis County, Texas, evidencing the annexation. Each such instrument evidencing the annexation of additional property shall describe the portion of the property comprising the Lots and Common Area. The funds resulting from any assessment, whether annual or special, levied against any property hereinafter annexed to the Subdivision may be combined with the funds collected from the Owners of Lots in the Subdivision and may be used for the benefit of all property and all Owners in the manner hereinabove provided.

ARTICLE XIII GENERAL PROVISIONS

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

Section 2. Duration and Amendment. The covenants, conditions, restrictions, reservations, liens and charges set forth in this Declaration shall run with the land and shall be binding upon and inure to the benefit of the Association, all Owners, their respective legal representatives, heirs, successors and assigns for a term of forty (40) years from the date this Declaration of Covenants, Conditions and Restrictions is filed with the County Clerk of

Travis County, Texas, for recordation in the Official Public Records of Real Property of Travis County, Texas, after which time said covenants, conditions, restrictions, reservations, liens and charges shall be automatically extended and renewed for successive periods of ten (10) years each, unless prior to said renewal date an instrument signed and acknowledged by the then Owners of not less than two-thirds (2/3) of the total number of Lots in the Subdivision is filed for record with the County Clerk of Travis County, Texas, altering, rescinding or modifying said covenants and restrictions in whole or in part as of said renewal date. Notwithstanding anything to the contrary herein contained, it is expressly understood and agreed that the Owners of two-thirds (2/3) of the total number of Lots in the Subdivision shall always have the power and authority to amend this Declaration and such amendment shall become effective on the date an instrument, signed and acknowledged by the then Owners of not less than two-thirds (2/3) of the total number of Lots in the Subdivision is filed for record in Travis County, Texas, so amending said Declaration of Covenants, Conditions and Restrictions. In addition, Declarant shall have the right at any time and from time to time, without the joinder or consent of any other party, to amend this Declaration of Covenants, Conditions and Restrictions by any instrument in writing duly signed, acknowledged and filed for record in the Official Public Records of Real Property of Travis County, Texas, for the purpose of correcting any typographical or grammatical error, ambiguity or inconsistency appearing herein, or for the purpose of complying with any statute, regulation, ordinance, resolution or order of the Federal Housing Administration, the Veterans Administration, or any federal, state, county, or municipal governing body, or any agency or department thereof; provided that any such amendment shall be consistent with and in furtherance of the general plan and scheme of development as evidenced by this Declaration of Covenants, Conditions and Restrictions and any Supplemental Declarations taken collectively, and shall not impair or affect the vested property rights of any Owner or his mortgagee.

Section 3. Canvassing. Where this Declaration of Covenants, Conditions and Restrictions requires that an instrument be executed by a certain percentage or number of the Members or Owners, such instrument may be circulated among the Members or Owners by a door-to-door canvass and need not be presented at any meeting of the members or otherwise, provided the Board of Directors of the Association is notified in writing by certified mail, return receipt requested, of the fact that an action is contemplated by a canvassing of the Members or the Owners.

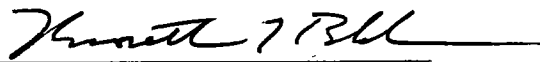
Section 4. Severability. If any provision of this Declaration of Covenants, Conditions and Restrictions or the application thereof to any person or circumstance shall, for any reason or to any extent, be invalid or unenforceable, neither the remainder of this Declaration of Covenants, Conditions and Restrictions nor the application of such provision to other persons or circumstances shall be affected thereby, but shall be enforced to the fullest extent permitted by law.

Section 5. Gender and Number. Whenever used, the singular number shall include the plural, the plural singular, and the use of any gender shall be applicable to all genders.

Section 6. Headings. The paragraph entitlements hereof are inserted for convenience of reference only and shall in no way alter, modify or define, or be used in construing the text of such paragraphs.

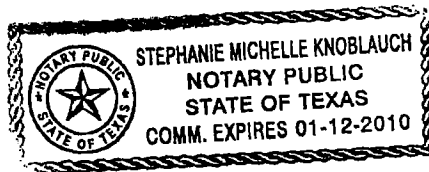
IN WITNESS WHEREOF, this Declaration is executed on this the 18th day of JULY, 2008.

MORNINGWOOD INVESTMENTS L.P. a texas limited partnership, acting by and through its general partner MORNINGWOOD DEVELOPMENT LLC, a texas limited liability corp.

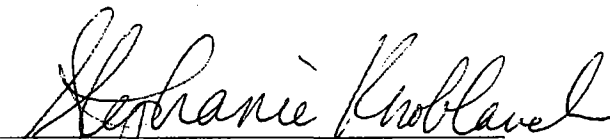
By: 
Kenneth T. Blaker
President

THE STATE OF TEXAS §

COUNTY OF TRAVIS §



This instrument was acknowledged before me on the 18 day of July, 2008, by Kenneth T. Blaker, President of Morningwood Development LLC., a Texas limited liability corporation, on behalf of said corporation and limited partnership.


Notary Public, State of Texas
Printed Name: Stephanie Knoblauch
My Commission Expires: 1-12-2010

Watershed Protection and
Development Review
505 Barton Springs, 4th Floor
Austin, Texas 78704

Attn: Dan Perryman
CB-2007-0135-1A

FILED AND RECORDED

OFFICIAL PUBLIC RECORDS



2008 Aug 22 01:49 PM 2008142528

CARTERT \$80.00

DANA DEBEAUVOIR COUNTY CLERK

TRAVIS COUNTY TEXAS

THE STATE OF TEXAS
COUNTY OF TRAVIS.

KNOW ALL MEN BY THESE PRESENTS:

That for and in consideration of Thirty-three and no/100 (\$33.00) Dollars, to the undersigned (herein styled Grantor, whether one or more) paid, the receipt of which is hereby acknowledged, the said Grantor does hereby Grant and Convey, unto UNITED GAS PIPE LINE COMPANY, (herein styled Grantee) its successors and assigns, a right of way and easement to construct, maintain, operate, repair, replace, change the size of and remove pipe lines and appurtenances thereto, and to construct, maintain, operate, repair, replace and remove, in connection with the conduct of its business, telegraph, telephone, and power lines and appurtenances thereto, including the necessary poles, guy wires, and anchors, over and through the following described lands situated in Travis County, State of Texas, to wit:

That certain tract of land containing 9-2/3 acres, more or less, out of James Burleson League.

The right-of-way granted hereby is thirty (30') feet, in width.

Said pipe line to be constructed not more than ten (10') feet East of the Existing West fence of the above described land,

More fully described in deed from M. A. Lang, et ux, to K. C. Miller, recorded in Volume 744, page 440, Deed Records of said County, to which reference is here made for further description.

TO HAVE AND TO HOLD unto Grantee, its successors and assigns, so long as the rights and easements herein granted, or any to them, shall be used by, or useful to, Grantee for the purposes herein granted, with ingress to and egress from the premises, for the purposes of constructing, inspecting, repairing, maintaining and replacing the property of the Grantee herein described, and the removal of same at will, in whole or in part.

The said Grantor is to fully use and enjoy the said premises, except for the purposes herein granted to the said Grantee and provided the said Grantor shall not construct nor permit to be constructed any house, structures, or obstructions on or over, or that will interfere with the maintenance or operation of, any pipe line or appurtenances constructed hereunder, and will not change the grade over such pipe line. Grantee hereby agrees to bury all pipes to a sufficient depth so as not to interfere with cultivation of soil, and to pay any damages which may arise to growing crops, fences or timber from the construction, maintenance and operation of said pipe, telegraph, telephone and power lines; said damages if not mutually agreed upon, to be ascertained and determined by three disinterested persons, one thereof to be appointed by the said Grantor, one by the said Grantee, and the third by the two so appointed as aforesaid, and the written award of such three persons shall be final and conclusive. Should more than one pipe line be laid under this grant at any time, the sum of Twenty-five cents per lineal rod for each additional line shall be paid, besides the damages above provided for.

It is hereby understood that the party securing this grant in behalf of Grantee, is without authority to make any covenant or agreement not herein expressed.

Witness the execution hereof on this the 19th day of May, A. D. 1949.

K. C. Miller

Signed and delivered in the present
of the undersigned witness.

Mrs. Julia Miller

A. C. Monette, Jr.

The State of Texas,
County of Travis.

Before me, the undersigned authority, in and for said County and State, on this day personally appeared K. C. Miller, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this the 19th day of May, A.D. 1949.

Jerome Bnsed, Jr.

Notary Public in and for Travis County, Texas.

(Notary Seal)

The State of Texas,
County of Travis.

Before me, G. Q. Menefee, a Notary Public in and for said County and State, on this day personally appeared Mrs. Julia Miller, wife of K. C. Miller, known to me to be the person whose name is subscribed to the foregoing instrument, and having been examined by me privily and apart from her husband, and having the same fully explained to her, she, the said Mrs. Julia Miller, acknowledged such instrument to be her act and deed and declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract it.

Given under my hand and seal of office, this the 20th day of May, A.D. 1949.

G. Q. Menefee

Notary Public in and for Travis County, Texas.

(Notary Seal)

Filed for Record May 27, 1949 at 12:00 0000 Recorded May 27, 1949 at 2:20 P.M.-----

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No. 81,799

Dora C. King

Vs.

D. O. King

IN THE DISTRICT COURT OF TRAVIS COUNTY, TEXAS.

98TH DISTRICT

AGREEMENT

Whereas, irreconcilable differences have arisen between Dora C. King and her husband, D.O. King and Whereas, both parties have filed suit in said court for divorce and property settlement, which suit is presently pending,

NOW, THEREFORE, should this court grant a divorce, the following contract and agreement is entered into by and between the parties:

I.

It is agreed that all of the below listed property is owned by them jointly each having an equal interest in each and all property described, both real and personal:

- (1) A 1946 Dodge Sedan, Motor No D249523
- (2) All the furniture and household effects presently used and located in the parties' home at 1107 Gillespie, Austin, Texas, including utility deposits.
- (3) An electric Portable Singer Sewing Machine, Serial No. AB736344.
- (4) All of that tract or parcel of land located and situated in Austin, Travis County, Texas, together with all improvements thereon and more particularly described as follows: Being a part of Lot No. 11, in Block No. 1, of Fredricksburg Road, Acres,



Knollwood on the Colorado River Section One
C8-2007-0135.1A

Subdivision Construction Agreement

(Applicant and City)

Recitals:

A. Subdivider owns the land included in the proposed final subdivision plat of the Knollwood on the Colorado River Section One Subdivision, City Case No. C8-2007-0135.1A and more particularly described on the attached and incorporated **Exhibit A** (the "Property").

B. City ordinances require Subdivider to complete various Subdivision improvements to protect the health, safety, and general welfare of the community and to limit the harmful effects of substandard subdivisions.

C. Subdivider desires to subdivide the Property in accordance with all applicable state and local laws, rules, and regulations.

D. This Agreement is authorized by and consistent with state law and the City's ordinances, regulations, and other requirements governing development of a subdivision.

E. This document is executed to memorialize Subdivider's responsibility to provide certain improvements to the Subdivision required by the platting process ("Subdivision Improvements").

F. The City of Austin will not accept the Subdivision and release the Subdivider from its obligations under this Agreement, until all Subdivision Improvements have been approved and accepted by the City.

G. Subdivider may not have provided fiscal surety for all Subdivision Improvements.

H. This Agreement requires the Subdivider to post fiscal guarantees for certain improvements, which protects the City from, at its expense, completing subdivision improvements required to be provided by the Subdivider. Subdivider's fiscal surety may be used only to complete those improvements listed on the attached and incorporated **Exhibit B** (collectively called the "Exhibit B Improvements," any one of which is an "Exhibit B Improvement").

I. Under certain circumstances, outlined in the Agreement, Subdivider can assign all of its obligations hereunder to another subdivider.

IN CONSIDERATION of the mutual covenants set forth in this Agreement, the parties agree as follows:

Agreement:

1. **Incorporate Recitals.** The above Recitals, and all defined terms therein are incorporated in this Agreement for all purposes.
2. **Parties.** The parties to this Subdivision Construction Agreement (the "Agreement") are Morningwood Development, L.L.C. (individually and collectively, the "Subdivider"), acting through its duly authorized agent ("Subdivider's Agent") and the City of Austin, a Texas home-rule municipal corporation (the "City") acting through its duly authorized City Manager, or designee, ("City Manager"), who for purposes of this Agreement is Watershed Protection Development Review Director, or designee, ("WPDR Director") or Public Works Director, or designee, ("PW Director"), whichever is applicable.
3. **Effective Date.** This Agreement is effective on the date the Subdivider signs (the "Effective Date").

Subdivider's Obligations

4. **Improvements.** Subdivider covenants to construct and install, at Subdivider's expense, all external and internal subdivision improvements required to comply with City ordinances, regulations, and policies governing subdivision approval for the Knollwood on the Colorado River Section One Subdivision, including Exhibit B Improvements.

Prior to starting construction of the Subdivision Improvements, the construction plans and specifications must be certified by Subdivider's engineer of record for the Subdivision as compliant with all applicable state and local development regulations (including environmental protections such as erosion controls and site restoration) and released for construction by the WPDR Director (collectively called "Released Construction Plans"). All Subdivision Improvements must be constructed in conformance with the Released Construction Plans. Final acceptance of the Subdivision Improvements after completion is subject to inspection, certification and acceptance by the WPDR Director or PW Director, as applicable, as being in conformance with the Released Construction Plans.

5. **Fiscal Deposit.** Subdivider must provide and continually maintain financial guarantees in the estimated total cost to construct each Exhibit B Improvement in conformance with the Released Construction Plans, as shown on **Exhibit B** ("Stated Amount") to assure performance of its obligations. The guarantee can be a surety bond or irrevocable letter of credit in a form acceptable to the City Attorney or designee ("City Attorney") or a cash deposit held by the City ("Fiscal Deposit"). The Stated Amount of the Fiscal Deposit is Three hundred seventy-one thousand one hundred ten and 45/100 dollars (\$371,110.45).

(a) **Cash Deposit.** A cash deposit must be in the full Stated Amount, held by the City, and placed in an interest bearing escrow fund and invested as if it were funds of the City. All interest earned on the cash deposit will be credited to the Subdivider. The City will maintain a balance of 100% of the cost of construction of the Exhibit B Improvements as shown on Exhibit B, all interest in excess of that amount may be disbursed to the Subdivider upon City's receipt of Subdivider's written request therefor. Subdivider cannot request interest disbursements more frequently than once a year, with the request being dated within 30 days of the Effective Date of this Agreement. Subdivider cannot request an initial disbursement of interest until the Fiscal Deposit has been placed with the City for 365 days.

(b) **Letter of Credit.** A letter of credit must: (a) be in the full Stated Amount; (b) be a standard form acceptable to the City Attorney; (c) have an expiration date no earlier than one year from the date of

its issuance; and (d) be issued by a financial institution having a rating equivalent to the minimum acceptable rating established under the City's financial institution rating system in effect at the time the initial Fiscal Deposit is issued pursuant to this Agreement (the "Issuer"). During this Agreement and subject to the terms of **Section 23**, the City Attorney may revise the standard form letter of credit as s/he reasonably considers acceptable and necessary to secure the performance of Subdivider's obligations under this Agreement. If the standard letter of credit form is revised, the new form will not be required to be used until the next renewal period, if any.

(c) **Surety Bond.** A surety bond must: (a) be in the full Stated Amount; (b) be a standard form acceptable to the City Attorney; (c) be listed with the United States Treasury www.fms.treas.gov/c570/index.html (d) be issued by an insurance company licensed to transact business in the state of Texas and (e) have a rating equivalent to the minimum acceptable rating established by the City's Financial Services Department in effect at the time the initial Fiscal Deposit is issued pursuant to this Agreement (the "Issuer"). During this Agreement and subject to the terms of **Section 23**, the City Attorney may revise the standard form surety bond as s/he reasonably considers acceptable and necessary to secure the performance of Subdivider's obligations under this Agreement. If the standard surety bond form is revised, the new form will not be required to be used until the next time the amount of the bond is adjusted, if any.

6. **Increase in Fiscal Deposit.** If, from time to time, the WPDR Director determines the estimated total cost of constructing the Exhibit B Improvements exceeds the Stated Amount, the WPDR Director shall notify Subdivider of the increase in the Stated Amount. Any increase of the estimated total cost of constructing the Exhibit B Improvements will be based on the Austin Public Works Construction Index (based upon unit prices taken from contracts issued by the City). Subdivider shall increase the Fiscal Deposit to equal the increased Stated Amount within 30 days after notification of the deficiency, by either amending the Fiscal Deposit or providing an additional Fiscal Deposit. All increased or new Fiscal Deposits must meet all requirements of **Section 5**. A revised Exhibit B showing the Stated Amount for each Exhibit B Improvement, as amended, will be filed of record as an amendment to the Subdivision Construction Agreement at Subdivider's expense. The revised Exhibit B replaces the Exhibit B originally filed of record effective on the date of its recordation. Subdivider, and all its lienholders, must sign or consent to the new Exhibit B, as applicable. Subdivider must provide an Updated Lien Search Certificate, which meets all the requirements of **Section 7**, and pay the recording fee to the City. City will file the amendment to the Agreement to substitute the revised Exhibit B.

7. **Lien Search Certificate.** Subdivider must provide a Lien Search Certificate prepared and signed by a title company acceptable to the WPDR Director or PW Director, as applicable. The Lien Search Certificate must name all owners of the Property, must name all lienholders having current liens against the Property, must identify the property, and must be dated no more than 5 business days prior to the Effective Date of this Agreement or the date of posting Fiscal, whichever is later. The Lien Search Certificate must be accompanied by a Consent of Lienholder that is signed by duly qualified representatives of all lienholders identified on the Lien Search Certificate. The Fiscal Deposit will not be accepted without the Lien Search Certificate and the executed Consent of Lienholder, if applicable.

City's Obligations

8. **Reduction in Fiscal Deposit.** After accepting any Exhibit B Improvement, the amount the City is authorized to draw on the Fiscal Deposit will be reduced by an amount equal to 90% of the estimated cost of the accepted Exhibit B Improvement, as shown on Exhibit B, as amended, if applicable, if Subdivider is not in default under this Agreement.

If Subdivider is not in default under this Agreement, when an Exhibit B Improvement is accepted, Subdivider may request the WPDR Director to recalculate the Stated Amount within 60 days after receipt of the request. The recalculated Stated Amount will include 10% of the estimated cost of any accepted Exhibit B Improvement and 100% of the "Estimated Remaining Cost", which means the cost to complete all incomplete Exhibit B Improvements at the time the recalculation request is received. . After recalculating the Stated Amount, the WPDR Director shall convey a letter to Issuer, if applicable, verifying City's acceptance of each Exhibit B Improvement accepted, and containing a reduced Stated Amount, if the recalculated Stated Amount exceeds the Estimated Remaining Cost. Notwithstanding the preceding sentence, the WPDR Director shall not authorize reductions in the Stated Amount more frequently than every 90 days; nor will the Stated Amount be reduced to zero until all Subdivision Improvements have been completed.

9. Release of Fiscal Deposit. Upon Subdivider completing all Subdivision Improvements, and complying with all requirements of the COA Standard Specifications Series 1800S – Private Development, Construction Requirements and Procedures, and upon WPDR Director's receipt of notice from the Construction Inspection Division of acceptance of all Subdivision Improvements, the Fiscal Deposit will be released and this Agreement will be terminated. If any item is missing or incomplete, this Agreement remains in effect.

10. Inspection and Certification. The WPDR Director or the Public Works Director, as applicable, agree (a) to inspect Subdivision Improvements (i) during and (ii) at the completion of construction, and, (b) if completed in accordance with the Released Construction Plans, to certify the Subdivision Improvements as complying with the Released Construction Plans. The inspections and certifications will be conducted in accordance with standard City policies and requirements. The Subdivider grants the City, its agents, employees, officers, and contractors an easement and license to enter the Property to perform such inspections as it deems appropriate.

11. Notice of Defect. The WPDR Director or PW Director, as applicable, will provide timely notice to the Subdivider whenever inspection reveals that any Subdivision Improvement is not constructed or completed in accordance with the Released Construction Plans or is otherwise defective, followed by written notice and period to cure, if Subdivider fails to cure the defect upon being given oral notice. The Subdivider must cure or substantially cure the defect within the time period set out in the written notice. The WPDR Director or PW Director, as applicable, may declare a default under this Agreement if the defect is not cured to his satisfaction within the stated cure period.

12. Use of Proceeds. The City will invest all funds obtained by one or more draws under the Fiscal Deposit ("Escrowed Funds") in the same manner as if they were funds of the City. The City will invest such Escrowed Funds, and accrued interest thereon, until they are disbursed by the City. All Escrowed Funds and interest accrued thereon belong to the City and the Subdivider forfeits all rights to the Escrowed Funds and accrued interest.

The City will disburse Escrowed Funds, and interest thereon, only to complete the Exhibit B Improvements, in conformance with the Released Construction Plans, or to correct defects in or failures of the Exhibit B Improvements. The City may, in its sole discretion, complete some or all of the Exhibit B Improvements unfinished at the time of default, regardless of the extent to which development has taken place in the Subdivision or whether development ever commenced, and without incurring any obligation to complete any of the unfinished Exhibit B Improvements.

The WPDR Director may disburse all or part of the Escrowed Funds as Exhibit B Improvements are completed and accepted by the City, or in accordance with the terms of a written construction contract between the City and a third party to construct Exhibit B Improvements.

13. Conditions of Draw on Fiscal Deposit. The WPDR Director may draw upon any financial guarantee posted in accordance with **Section 5** upon the occurrence of one or more of the following events:

- a. Subdivider did not properly construct one or more Improvements and failed to remedy the construction deficiency within the cure period;
- b. Subdivider did not renew or replace the Fiscal Deposit at least 45 days prior to its expiration date;
- c. Subdivider did not replace the Fiscal Deposit within 45 days after notice that the Issuer failed to maintain the minimum rating acceptable to the City, in accordance with **Section 5**;
- d. The Issuer's acquisition of the Property or a portion of the Property, through foreclosure or an assignment or conveyance in lieu of foreclosure; or
- e. If City elects to construct an external **Exhibit B** Improvement, the WPDR Director may draw on the Fiscal at any time.

The WPDR Director or PW Director, as applicable, shall provide written notice of the occurrence of one or more of the above events to the Subdivider.

If the City draws on the Fiscal Deposit under **Section 13(a)**, the notice must state the specific construction deficiency, the time period to cure, and include a statement that the City intends to perform some or all of Subdivider's obligations under **Section 4** for specified Exhibit B Improvements if the failure is not cured. If Subdivider has not cured the default within the stated cure period, the WPDR Director will send a draw letter to Issuer, with a copy to Subdivider, within 15 days after the cure period expires.

If a renewal or replacement Letter of Credit is not provided at least 45 days prior to expiry, as required under **Section 13 (b), (c) and (d)**, then within 15 days prior to expiry of such Letter of Credit the WPDR Director will send a draw letter to Issuer, with a copy to Subdivider.

If the Issuer has acquired all or part of the Property through foreclosure or an assignment or conveyance in lieu of foreclosure, in lieu of honoring a draft based on a **Section 13 (d)** default, the Issuer may deliver a substitute or confirming Fiscal Deposit to the City.

If the City draws on the Fiscal Deposit under **Sections 13 (b), (c), or (d)**, the funds received will be converted to a Cash Deposit for the benefit of Subdivider, as if originally deposited as Cash under **Section 5 (a)**.

The notice for a drawing under **Section 13 (e)** must be given to Issuer, with a copy to Subdivider, no less than 15 days before drawing on the Fiscal Deposit.

14. Procedures for Drawing on the Fiscal Deposit. The WPDR Director may draw upon the Fiscal Deposit in accordance with **Section 13** by submitting a draft to the Issuer that complies with the terms governing such draft. Non-cash Fiscal Deposits must be surrendered upon presenting any draft that exhausts the Stated Amount of such Fiscal Deposit. The WPDR Director may not draft under a Fiscal Deposit unless s/he has substantially complied with all obligations to the Issuer under this Agreement and has properly completed and executed the draft in strict accordance with its terms. To draw on a cash Fiscal Deposit requires a letter of explanation to the person who posted the cash Fiscal Deposit, which meets the requirements to draw upon the City's most currently approved Letter of Credit form.

If a draw is based on a default under **Section 13(a)**, the WPDR Director may draw the amount he considers necessary to perform Subdivider's obligations under **Section 4**. For each **Exhibit B Improvement** constructed by the City, the WPDR Director may draw 100% of the amount allocated in **Exhibit B** for any **Exhibit B Improvement** the City intends to construct, complete, repair, or replace in accordance with the **Released Construction Plans**.

15. Cost Participation by City. If the City agrees to participate in the expense of installing any of the Subdivision Improvements, the respective benefits and obligations of the parties will be governed by the terms of a Community Facilities Construction Agreement ("CFC") that will be executed subsequently and attached and incorporated as an **Exhibit** to this Agreement. The terms of that CFC agreement control to the extent of any inconsistency with this Agreement.

16. Right of Entry. The Subdivider hereby grants to the City, its successors, assigns, agents, contractors, and employees, a nonexclusive right and easement to enter the Property to construct, maintain, and repair such Subdivision Improvements.

17. Remedies. The remedies available to the City and the Subdivider under this Agreement and the laws of Texas are cumulative in nature.

18. Third Party Rights. No person or entity who or which is not a party to this Agreement has any right of action under this Agreement. Nor does any such person or entity, other than the City, (including without limitation a trustee in bankruptcy) have any interest in or claim to Escrowed Funds drawn on the Fiscal Deposit in accordance with this Agreement.

19. Indemnification. Subdivider covenants to fully indemnify, save, and hold harmless the City of Austin, its officers, employees, and agents (collectively called "Indemnitees") from, and against, all claims, demands, actions, damages, losses, costs, liabilities, expenses, and judgments recovered from or asserted against Indemnitees on account of injury or damage to person [including without limitation, Workers' Compensation and Death Claims], or property loss or damage of any kind whatsoever, to the extent any damage or injury may be incident to, arise out of, be caused by, or be in any way connected with, either proximately or remotely, wholly or in part, the construction, existence, use, operation, maintenance, alteration, repair, or removal of any Improvement installed by or on behalf of Subdivider in the Property; the performance of this Subdivision Construction Agreement; an act or omission, negligence, or misconduct on the part of Subdivider, or any of its agents, servants, employees, contractors, patrons, guests, licensees, invitees, or other persons entering upon the Property under this Agreement, whether authorized with the expressed or implied invitation or permission of Subdivider (collectively called "Subdivider's Invitees"); including any injury or damage resulting, proximately or remotely, from the violation by Subdivider or Subdivider's Invitees of any law, ordinance, or governmental order of any kind, including any injury or damage in any other way arising from or out of the use of the Improvements on the Property or the Property itself by any person, whether authorized to use the Improvements.

Subdivider covenants and agrees that if the City or any other Indemnitee is made a party to any litigation against Subdivider or any litigation commenced by any party, other than Subdivider, relating to this Agreement, Subdivider shall, upon receipt of reasonable notice regarding commencement of litigation, at its own expense, investigate all claims and

demands, attend to their settlement or other disposition, defend the City in all actions with counsel acceptable to City, and pay all charges of attorneys and all other costs and expenses of any kind arising from any liability, damage, loss, claims, demands, and actions.

20. No Waiver. No waiver of any provision of this Agreement will be deemed or constitute a waiver of any other provision, nor will it be deemed or constitute a continuing waiver unless expressly provided for by a written amendment to this Agreement executed by duly authorized representatives of each party. No waiver of any default under this Agreement will be deemed a waiver of any subsequent defaults of the same type. The failure at any time to enforce this Agreement or any covenant by the City, the Subdivider, or the Issuer, their respective heirs, successors or assigns, whether any violations thereof are known, does not constitute a waiver or estoppel of the right to do so.

21. Attorney's Fees. If either party sues to enforce the terms of this Agreement, the prevailing party, plaintiff or defendant, is entitled to recover its costs, including reasonable attorney's fees, court costs, and expert witness fees, from the other party. If the court awards relief to both parties, each will bear its own costs in their entirety.

22. Assignability. The benefits and burdens of this Agreement are personal obligations of the Subdivider and also are binding on the heirs, successors, and assigns of the Subdivider and on any person acquiring an ownership interest in the Property through the Subdivider. The Subdivider's obligations under this Agreement may not be assigned without the express written approval of the WPDR Director. The WPDR Director's written approval may not be withheld if the Subdivider's assignee explicitly assumes all obligations of the Subdivider under this Agreement and has posted the required Fiscal Deposit.

An assignment alone does not release the Subdivider from Subdivider's obligations under this Agreement. Subdivider's obligations hereunder continue, notwithstanding any assignment approved pursuant to this **Section 22**, unless and until the City executes and delivers to the Subdivider a written release of Subdivider from the obligations imposed by this Agreement. The WPDR Director agrees to release or reduce, as appropriate, the Fiscal Deposit provided by the Subdivider if he accepts substitute Fiscal Deposit for all or part of the Exhibit B Improvements. The City, in its sole discretion, may assign some or all of its rights under this Agreement, and any such assignment is effective upon notice to the Subdivider and the Issuer.

23. Notice. Any notice required or permitted by this Agreement is deemed delivered when personally delivered in writing or three (3) days after notice is deposited with the U.S. Postal Service, postage prepaid, certified with return receipt requested, and addressed as follows:

if to Subdivider: Morningwood Development, L.L.C.
 PO Box 684842
 Austin TX 78768

if to City: Watershed Protection and Development Review Department
 P. O. Box 1088
 Austin, Texas 78767-8828
 Attn: Carol Barnes, Fiscal Officer

if to the Issuer: at Issuer's address shown on the Fiscal Deposit

The parties may, from time to time, change their respective addresses listed above to any other location in the United States. A party's change of address is effective when notice of the change is provided to the other party in accordance with this **Section 23**.

24. Severability. If any part, term, or provision of this Agreement is held by the courts to be illegal, invalid, or otherwise unenforceable, such illegality, invalidity, or unenforceability does not affect the validity of any other part, term, or provision, and the rights of the parties will be construed as if the part, term, or provision was never part of this Agreement.

25. Personal Jurisdiction and Venue. Personal jurisdiction and venue for any civil action commenced by either party to this Agreement, whether arising out of or relating to the Agreement or the Fiscal Deposit, is only deemed proper if commenced in District Court for Travis County, Texas, or the United States District Court for the Western District of Texas, Austin Division. The Subdivider expressly waives any right to bring such an action in or to remove such an action to any other court, whether state or federal. The Issuer, by providing a Fiscal Deposit pursuant to the terms of this Agreement, expressly waives any right to bring such an action in or to remove such an action to any other court, whether state or federal.

26. Release.

A. Upon Completion. Upon accepting all Subdivision Improvements, the City agrees: (i) to provide a recordable release to the Subdivider and the Issuer releasing the Subdivider and Subdivider's heirs, successors and assigns, and the Property from all provisions of this Agreement and (ii) to return the Fiscal Deposit to the Issuer.

B. Upon Vacation of Plat. Upon receipt of notice of Vacation of Plat under the City's usual process for same, the City agrees: (i) to provide a recordable release to the Subdivider and the Issuer releasing the Subdivider and Subdivider's heirs, successors and assigns, and the Property from all provisions of this Agreement and (ii) to return the Fiscal Deposit to the Issuer.

27. Captions Immaterial. The numbering, order, and captions or headings of the paragraphs of this Agreement are for convenience only and must not be considered in construing this Agreement.

28. Entire Agreement. This Agreement contains the entire agreement between the parties and correctly sets forth the rights, duties, and obligations of each to the other as of the Effective Date.

29. Amendment. Any oral representations or modifications concerning this Agreement have no force or effect unless there is a subsequent written modification executed by duly authorized representatives of both parties.

30. Authorization to Complete Blanks. By signing and delivering this Agreement to the appropriate official of the City, the Subdivider authorizes completion of this Agreement by filling in the Effective Date below.

31. Binding Agreement. The execution and delivery of this Agreement and the performance of the transactions contemplated thereby have been duly authorized by all necessary corporate and governmental action of the City. Further, the execution and delivery of this Agreement and the performance of the transactions contemplated thereby have been duly authorized by all necessary corporate action of both the Subdivider and Issuer. This Agreement has been duly executed and delivered by each party, and constitutes a legal, valid, and binding obligation of each party enforceable in accordance with the terms as of the Effective Date. These representations and agreements are for the benefit of the Issuer, and have been relied on by the Issuer in issuing the Fiscal Deposit.

Executed by the parties to be Effective on July 18, 2008

City of Austin:

Subdivider:
Morningwood Development, L.L.C.
General Partner
Morningwood Investments, L.P.

Bobby Ray
Bobby Ray, AICP, Assistant Director

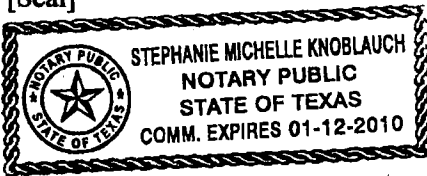
Kenneth T. Blaker
Kenneth T. Blaker, President

Acknowledgments

State of Texas §
County of Travis §

Before me Stephanie Knoblauch, a Notary Public on this day personally appeared Kenneth T. Blaker as President of Morningwood Development, L.L.C., General Partner of Morningwood Investments, L.P., known to me personally through his/her driver's license to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

[Seal]

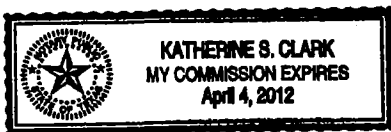


Given under my hand and seal of office this 18 day of July, 2008.
Stephanie Knoblauch
Notary Public, State of Texas

State of Texas §
County of Travis §

This instrument was acknowledged before me on August 15th, 2008 by Bobby Ray, AICP as Assistant Director for the Watershed Protection and Development Review Department of the City of Austin, a Texas municipal corporation, on behalf of said corporation.

[Seal]



Katherine S. Clark
Notary Public, State of Texas

EXHIBIT LIST:

- Exhibit A - Property Description
- Exhibit B - Subdivision Improvements



Alamo Title Company

A member of Fidelity National Financial

Ownership and Lien Search Certificate

Alamo Title Company
9229 Waterford Centre, Suite 200
Austin, Texas 78758

Reference: CS# 08-7058143

Date: July 10, 2008

To Whom It May Concern:

Our search of the Travis County Official Property Records from November 20, 2007 through July 1, 2008 in regards to deed(s) and outstanding lien(s) filed on the property and or name(s) are set forth below.

Title appears to be vested in **Morningwood Investments, LP, a Texas limited partnership**

Property Description:

See EXHIBIT "A" attached hereto and made a part hereof.

Document(s) of Record:

Special Warranty Deed with Vendor's Lien filed November 20, 2007, in Document No. 2007211185, Official Public Records of Travis County, Texas, executed by Lyda-McCandless Investments, a Texas joint venture to Morningwood Investments, LP, a Texas limited partnership.

Special Warranty Deed with Vendor's Lien filed November 20, 2007, in Document No. 2007211186, Official Public Records of Travis County, Texas, executed by McCandless-Bluestein Venture, a Texas joint venture to Morningwood Investments, LP, a Texas limited partnership.

Deed of Trust, Security Agreement and Financing Statement filed November 20, 2007, in Document No. 2007211187, Official Public Records of Travis County, Texas, executed by Morningwood Investments, LP, a Texas limited partnership to Chesley N. Brooks, Jr., Trustee, payable to OMNIBANK, N.A., in the amount of \$3,150,000.00

Alamo Title Company


John Russo
Customer Service

THIS LIEN SEARCH CERTIFICATE IS PROVIDED BY ALAMO TITLE FOR INFORMATIONAL PURPOSES ONLY. THE INFORMATION CONTAINED HEREIN IS NOT TO BE DEEMED A REPRESENTATION OF WARRANTY, NOR IS THIS CERTIFICATE MEANT TO EVIDENCE A CONTRACT OR TO TAKE PLACE OF AN ABSTRACT OF TITLE OR A POLICY OF TITLE INSURANCE. ALAMO TITLE DOES NOT AUTHORIZE RELIANCE HEREON IN CONSUMMATING ANY REAL ESTATE TRANSACTION. IN THE EVENT OF ANY ERROR IN THIS CERTIFICATE, ALAMO TITLE LIABILITY, IF ANY, SHALL NOT EXCEED THE AMOUNT PAID TO ALAMO TITLE COMPANY FOR THIS CERTIFICATE

EXHIBIT "A"

TRACT 1: APPROXIMATELY 44.871 ACRES of land being out of and a portion of the JAMES BURLESON SURVEY NO. 19, ABSTRACT NO. 4, in Travis County, Texas and being a portion of a 33.655 acre tract conveyed in Volume 11420, Page 300,, Real Property Records of Travis County, Texas and all of a 19.70 acres tract and a 4.50 acre tract conveyed in Volume 11420, Page 305, Real Property Records of Travis County, Texas; said 44.871 acre tract being more particularly described by metes and bounds in Exhibit "A-1" attached hereto.

TRACT 2: APPROXIMATELY 20.031 ACRES of land being out of and a portion of the JAMES BURLESON SURVEY, in Travis County, Texas, and being all of a called 20.05 acre tract, designated as "Third Tract" in the deed recorded in Volume 11420, Page 305, Real Property Records of Travis County, Texas, and said 20.031 acre tract being more particularly described by metes and bounds in Exhibit "A-2" attached hereto.

TRACT 3: APPROXIMATELY 20.045 ACRES of land being out of and a portion of the JAMES BURLESON SURVEY, in Travis County, Texas, and being all of a called 19.4 acre tract conveyed in deed recorded in Volume 11456, Page 491, Real Property Records of Travis County, Texas and said 20.045 acre tract being more particularly described by metes and bounds in Exhibit "A-3" attached hereto.



Landesign Services, Inc.

555 Round Rock West Drive
Bldg. D, Suite 170
Round Rock, Texas 78681
512-238-7901 office
512-238-7902 fax

EXHIBIT "B-1" METES AND BOUNDS DESCRIPTION

BEING 44.871 ACRES OF LAND SURVEYED BY LANDESIGN SERVICES, INC., OUT OF THE JAMES BURLESON SURVEY NO. 18, ABSTRACT NO. 4 IN TRAVIS COUNTY, TEXAS, ALSO BEING A PORTION OF A CALLED 33.655 ACRE TRACT DESCRIBED IN DEED TO MCCANDLESS-BLUESTEIN VENTURE RECORDED IN VOLUME 11420, PAGE 300 OF THE REAL PROPERTY RECORDS OF TRAVIS COUNTY, TEXAS (R.P.R.T.C.T.), AND ALL OF A CALLED 18.70 ACRE TRACT AND A CALLED 4.50 ACRE TRACT IN DEED TO MCCANDLESS-BLUESTEIN VENTURE RECORDED IN VOLUME 11420, PAGE 305 OF THE R.P.R.T.C.T. AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a Type II monument found in the existing east right-of-way line of U.S. Highway 183 (R-O-W width varies) (also called Ed Bluestein Blvd.) at the southwest corner of the remainder of said 33.655 acres and northwest corner of Lot 1, Block A of Performance Truck Subdivision, a subdivision recorded in Document No. 199900379 of the R.P.R.T.C.T. from which a Type II monument found in the existing east right-of-way line of U.S. Highway 183 and the west line of said Lot 1, Block A bears South 25°35'24" East a distance of 318.97 feet (record: South 25°35'37" East, 319.03 feet);

THENCE along said existing east right-of-way line of U.S. Highway 183 and the west line of the remainder of said 33.655 acres the following two (2) courses:

1. North 77°50'38" East a distance of 145.28 feet (record: North 77°50'29" East, 145.19 feet) to a Type II monument found for an angle point;
2. North 15°57'09" East a distance of 387.52 feet (record: North 15°57'00" East, 387.52 feet) to a Type II monument found at an angle point in the west line of said 33.655 acres and the southwest corner of Lot 1 of Boggy Creek East Lift Station Addition, a subdivision recorded in Book 75, Page 218 of the Plat Records of Travis County, Texas (P.R.T.C.T.);

THENCE South 81°24'51" East with the west line of the remainder of the 33.655 acres and the south line of said Lot 1, Boggy Creek East Lift Station Addition a distance of 335.95 feet (record: South 79°13' East, 335.98 feet) to a 1/2" rebar with cap marked "LANDESIGN" set at an angle point in the west line of the remainder of 33.655 acres and the southeast corner of Lot 1, Boggy Creek East Lift Station Addition;

THENCE North 08°33'39" East with the west line of the remainder of 33.655 acres and the east line of Lot 1, Boggy Creek East Lilt Station Addition passing the northeast corner of said Lot 1 at a called distance of 290.00 feet and continuing for a total distance of 299.83 feet (record: North 10°47' West, 300.00 feet) to a 1/2" rebar with cap marked "LANDESIGN" set in the south line of Shelton Road (R-O-W varies) at the northwest corner of the remainder of the 33.655 acres;

THENCE with the south line of Shelton Road and the north line of the 33.655 acres the following six (6) courses:

1. South 81°28'19" East a distance of 875.75 feet (record: South 79°13' East) to a 1/2" rebar found;
2. South 88°39'19" East a distance of 51.33 feet (record: South 86°28' East, 51.33 feet) to a 1/2" rebar with cap marked "LANDESIGN" set;
3. North 67°57'41" East a distance of 46.53 feet (record: North 70°11' East, 44.50 feet) to a 1/2" rebar with cap marked "LANDESIGN" set;
4. South 81°28'19" East a distance of 15.74 feet (record: North 45°22' East, 36.60 feet) to a 1/2" rebar with cap marked "LANDESIGN" set;
5. North 08°31'50" East a distance of 30.00 feet (record: North 79°00' East, 30 feet) to a 1/2" rebar with cap marked "LANDESIGN" set;
6. South 81°28'10" East a distance of 100.60 feet (record: South 79°00' East, 100.6 feet) to a 1/2" rebar found at the northeast corner of the 33.655 acres and the northwest corner of said 19.70 acres;

THENCE South 81°28'10" East continuing with the south line of Shelton Road and the north line of said 19.70 acres distance of 1139.71 feet (record: South 79°10' West, 1140.30 feet) to a 1-1/4 inch iron pipe found at the northeast corner of the 19.70 acres and the northwest corner of a called 2.15 acre tract conveyed to Juan F. Juarez or Rebecca R. Juarez, Trustees of the Juan F. Juarez or Rebecca R. Juarez Living Trust recorded in Document No. 1999119894 of the R.P.R.T.C.T.;

THENCE South 33°34'59" East departing the south line of Shelton Road with the east line of the 19.70 acres distance and the west line of said 2.15 acres a distance of 425.36 feet (record: South 31°10' West, 425.50 feet) to a 1/2" rebar found in the approximate north bank of the Colorado River at an angle point in the east line of the 19.70 acres and the southwest corner of the 2.15 acres;

THENCE along the approximate north bank of the Colorado River and the east line of the 19.70 acres the following two (2) courses:

1. South 84°27'55" West a distance of 274.18 feet (record: South 86°50' West, 274.25 feet) to a 1/2" rebar found;
2. South 38°53'55" West a distance of 650.00 feet (record: South 41°16' West, 650.00 feet) to a 1/2" rebar with cap marked "LANDESIGN" set at the southeast corner of the 19.70 acres and the southwest corner of a called 19.4 acre tract described in deed to Don M. Lyda, Trustee recorded in Volume 11458, Page 491 of the R.P.R.T.C.T;

THENCE along the southwest line of the 19.70 acres and the east and north line of said 19.4 acres the following two (2) courses:

1. North 23°27'00" West a distance of 606.95 feet (record: North 20°25' West - 476.80 feet and North 20°58' West - 193.80 feet) to a fence corner post found;
2. South 74°56'44" West a distance of 837.18 feet (record: North 77°15' West, 844.19 feet) to a 1/2" rebar with cap marked "LANDESIGN" set in the north line of Hester Road at the east terminus of Hester Road at the southwest corner of the 19.70 acres, the northwest corner of the 19.4 acres, and an angle point in the south line of said 33.655 acres;

THENCE along the north line of Hester Road and the south line of the 33.655 acres the following two (2) courses:

1. South 74°55'08" West (record: South 72°45' West - 102.10 feet and South 77°24' West - 127.58 feet) a distance of 228.69 feet to a 1/2" rebar with cap marked "LANDESIGN" set;
2. North 25°25'01" East a distance of 8.80 feet to a 1/2" rebar found at the southeast corner of said 4.45 acres;

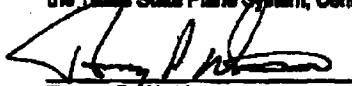
THENCE South 74°55'01" West with the north line of Hester Road and the south line of the 4.45 acres a distance of 508.83 feet (record: South 77°00' West, 508.0 feet) to a 1/4 inch iron pipe found at the southwest corner of the 4.45 acres;

THENCE North 27°05'21" East (record: North 27°00' East) with the north line of Hester Road and the west line of the 4.45 acres a distance of 34.44 feet to a 1/2" rebar found at an angle point in the west line of the 4.45 acres and the west line of said Lot 1, Block A, Performance Truck Subdivision;

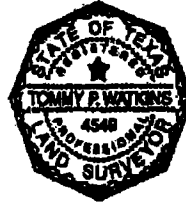
THENCE North 27°17'43" East with the west line of the 4.45 acres and the east line of Lot 1, Block A, a distance of 72.59 feet to a 1/2" rebar found at an angle point in the west line of the 4.45 acres and in the south line of the 33.655 acres at the northeast corner of Lot 1, Block A;

THENCE North 65°02'48" West along the south line of the remainder of the 33.655 acres and the north line of Lot 1, Block A, a distance of 740.35 feet (record: North 62°50'44" West) to the POINT OF BEGINNING.

This parcel contains 44.871 acres of land, more or less, out of the James Burleson Survey No. 19, Abstract No. 4, in Travis County, Texas. Description prepared from an on-the-ground survey made during December 2006 to January 2007. All bearings are based on the Texas State Plane System, Central Zone NAD 83.

 1/15/2007

Tommy P. Watkins
Registered Professional Land Surveyor Date
State of Texas No. 4548



Project Number: 002-05-001
Attachments: Survey Drawing L:\McCandless\DWG
L:\McCandless\FNOTES\00200101\FN.doc
Created on 01/12/07

Landesign Services, Inc.

555 Round Rock West Drive
Bldg. D, Suite 170
Round Rock, Texas 78681
512-238-7901 office
512-238-7902 fax

EXHIBIT - 12.
METES AND BOUNDS DESCRIPTION.

BEING 20.031 ACRES OF LAND, SURVEYED BY LANDESIGN SERVICES, INC., OUT OF THE JAMES BURLESON SURVEY NO. 18, ABSTRACT NO. 4, BEING ALL OF A CALLED 20.05 ACRE TRACT OF LAND CONVEYED BY JOHN F. LANIER, JR., TRUSTEE TO McCANDLESS-BLUESTEIN VENTURE IN DEED RECORDED IN VOLUME 11420, PAGE 305 OF THE REAL PROPERTY RECORDS OF TRAVIS COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2 inch iron rebar with plastic cap marked "LANDESIGN" set in Heeler Road for the northwest corner of said 20.05 acre tract;

THENCE South 12°22'03" East (record: South 11°09' East, 1308.82) along the east line of said 20.86 acre tract, passing a 1/2 inch iron rod at a fence post found for the northeast corner of a called 4.88 acre tract conveyed to Paul Bukstein of record in Volume 12411, Page 1599 of the Real Property Records of Travis County, Texas at a distance of 5.28 feet, passing a 1/2 inch iron rod found for a reference point on the west line of said 4.88 acre tract at a distance of 1181.25 feet, passing a 1/2 inch iron pipe found on line at a distance of 1236.18 feet and continuing for a total distance of 1309.20 feet 1/2 inch iron rebar with plastic cap marked "LANDESIGN" set for the southeast corner on the called north bank of the Colorado River:

THENCE along the south line of said 20.05 acre tract and the meandering approximate north bank of the Colorado River the following two (2) courses:

1. South 50°28'57" West (record: South 51°49' West, 190.50') a distance of 190.90 feet to a 1/2 inch iron rebar with plastic cap marked "LANDESIGN" set;
2. South 47°44'10" West (record: South 48°00' West, 555.50') a distance of 554.29 feet to a 1/2 inch iron rebar with plastic cap marked "LANDESIGN" set for the southwest corner of said 20.05 acre tract and an angle corner in the east line of a called 75.39 acre tract conveyed to Capitol Aggregates of record in Volume 3780, Page 440 of the Deed Records of the Travis County, Texas;

THENCE along the west line of said 20.05 acre tract and the east line of said 75.39 acre tract the following true (3) courses:

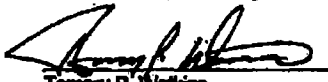
1. North 84°25'57" West (record: North 63°22' West, 188.30') a distance of 188.30 feet to a 1/2 inch iron rebar with plastic cap marked "LANDESIGN" set;

2. North 07°59'03" East (record: North 09°21' East, 1048.90') a distance of 1047.36 feet to a 1/2 inch iron rebar with plastic cap marked "LANDESIGN" set for a interior corner of said 20.05 acre tract and the northeast corner of said 75.39 acre tract;
3. North 65°28'57" West (record: North 64°07' West, 298.70') passing an angle corner in the north line of said 75.39 acre tract at a called distance of 298.78 feet and continuing for a total distance of 305.87 feet to a 1/2 inch iron rebar with plastic cap marked "LANDESIGN" set in the east line of Smith Road from which an iron pipe found for the northwest corner of said 75.39 acre tract and a called 39.88 acre tract conveyed to Capitol Aggregates of record in Volume 4744, Page 735 of the Deed Records of Travis County, Texas bears South 65°28'57" East - 7.11 feet and South 81°35'03" West - 50.31 feet;

THENCE North 28°08'42" East (record: North 27°30' East, 478.86') along the east right-of-way line of Smith Road and the west line of said 20.05 acre tract a distance of 478.72 feet to a 1/2 inch iron rebar found in Hester Road for the northwest corner;

THENCE North 74°54'24" East (record: North 76°15' East, 382.84') along Hester Road south line and the north line of said 20.05 acre tract a distance of 382.74 feet to the POINT OF BEGINNING.

This parcel contains 20.031 acres of land, more or less, out of the James Burleson Survey No. 19, Abstract No. 4, in Travis County, Texas. Description prepared from an on-the-ground survey made during December 2006 to January 2007. All bearings are based on the Texas State Plane System, Central Zone NAD 83.


Tommy P. Watkins Date
Registered Professional Land Surveyor
State of Texas No. 4549



Project Number: 082-06-001
Attachments: Survey Drawing L:\McCandless\DWGS\22001001\TTL.DWG
L:\McCandless\FNOTES\08200104\FN.doc
Created on 01/12/07

EXHIBIT "A-3"
METES AND BOUNDS DESCRIPTION

BEING 20.045 ACRES OF LAND, SURVEYED BY LANDESIGN SERVICES, INC., OUT OF JAMES BURLERSON SURVEY NO. 19, ABSTRACT NO. 4, AND BEING ALL OF A CALLED 19.4 ACRE TRACT DESCRIBED IN WARRANTY DEED CONVEYED TO DON M. LYDA, TRUSTEE OF RECORD IN VOLUME 11456, PAGE 481 OF THE REAL PROPERTY RECORDS OF TRAVIS COUNTY, TEXAS AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2 inch iron rebar with plastic cap marked "LANDESIGN" set at the northwest corner of said 19.4 acre tract, an angle corner in the southerly line of a called 19.70 acre tract of land conveyed to McCasless-Bluestein Venture of record in Volume 11420, Page 305 of the Real Property Records of Travis County, Texas, an angle corner in the southerly line of a called 9 2/3 acre tract of land conveyed to K.C. Miller of record in Volume 744, Page 440 of the Deed Records of Travis County, Texas and at the southeast corner of Hester Road;

THENCE North 74°58'44" East (record: South 78°30', 833.30') along the north line of said 19.4 acre tract and the northern south line of said 19.70 acre tract a distance of 837.18 feet to a fence corner post found for the northeast corner of said 19.4 acre tract and an angle corner in the southerly line of said 19.70 acre tract;

THENCE South 23°27'00" East (record: North 19°30' West, 833.30') along the east line of said 19.4 tract and the southerly line of said 19.70 acre tract along a meandering dilapidated wire fence a distance of 688.95 feet to a 1/2 inch iron rebar with plastic cap marked "LANDESIGN" set for the southeast corner of said 19.4 acre tract and the southern most southwest corner of said 18.7 acre tract in the approximated north bank, called east bank, of the Colorado River;

THENCE along the south line of said 19.4 acre tract and the approximate meanders of the north bank, called east bank, of the Colorado River the following two (2) courses;

1. South 42°32'51" West (record: North 39°00', 547.20') a distance of 557.08 feet to a calculated point;
2. South 52°37'57" West (record: North 53°30' East, 552.80') a distance of 552.78 feet to a 1/2 inch iron rebar with plastic cap marked "LANDESIGN" set for the southwest corner of said 19.4 acre tract and in the east line of a called 5 acre tract conveyed to C.F. Ester of record in Volume 434, Page 56 of the Deed Records of Travis County, Texas;

THENCE North 12°22'03" West (record: South 11°30' East, 1177.8') along the west line of said 19.4 acre tract and the east line of said 5 acre tract a distance of 1177.79 feet to the POINT OF BEGINNING.

This parcel contains 20.045 acres of land, more or less, out of the James BurlerSON Survey No. 19, Abstract No. 4, in Travis County, Texas. Description prepared from an on-the-ground survey made during December 2006 to January 2007. All bearings are based on the Texas State Plane System, Central Zone NAD 83.

**CONSENT OF LIENHOLDER TO
Execution of Subdivision Construction Contract**

STATE OF TEXAS §
COUNTY OF TRAVIS §

Whereas, MORNINGWOOD INVESTMENTS, L.P., is the Owner ("Owner") of the following described property:

That tract of land situated in Travis County, Texas described in the attached and incorporated **EXHIBIT "A"** ("Property"), and

Whereas, OMNIBANK N.A., is the lienholder ("Lienholder") of the Property under the terms and conditions of the following described documents:

Deed of Trust dated November 20, 2007, from MORNINGWOOD INVESTMENTS, L.P., to CHELSEY N. BROOKS, JR., Trustee, securing the payment of one promissory note of even date in the original principal amount of \$3,150,00.00, payable to OMNIBANK N.A. Deed of Trust of record in Document Number 2007211187, of the Official Public Records of Travis County, Texas.

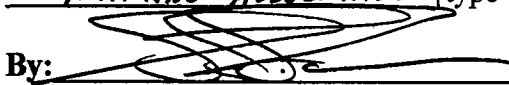
Whereas, Owner has executed a Subdivision Construction Agreement with the City of Austin ("City") governing installation of Improvements in the KNOLLWOOD ON THE COLORADO RIVER SECTION ONE ("Development"), and;

NOW THEREFORE, in consideration of \$10 the Lienholder agrees as follows:

OMNIBANK N.A. consents to the execution of the Subdivision Construction Agreement and the rights and obligations of Subdivider set out therein, and subordinates all of its liens on this Property to the rights and interests of the City in the Subdivision Construction Agreement, its successors and assigns, and any foreclosure of its liens will not extinguish City's rights and interests in the Subdivision Construction Agreement. OMNIBANK N.A. affirms that the undersigned has the authority to bind the Lienholder, and that all corporate acts necessary to bind the Lienholder have been taken.

Executed on July 22, 2008.

OMNIBANK N.A.,
NATIONAL ASSOCIATION [type of bank]

By: 

Name: GREG GANNON

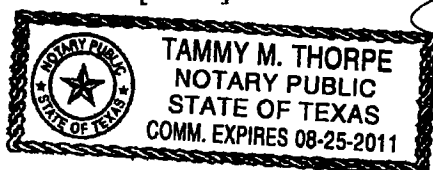
Title: J.V.P.

STATE OF TEXAS §
COUNTY OF TRAVIS §

Before me TAMMY THORPE [name of notary], Notary Public of the State of TX, on this day personally appeared GREG GARNER [name of party], known to me by TEXAS [state] driver's license or identity card to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that s/he executed the same for the purposes and consideration expressed.

Given under my hand and seal of office this 22nd day of July A.D., 2008.

[SEAL]



Tammy M. Thorpe
Notary Public, State of TEXAS

EXHIBIT A:

METES AND BOUNDS DESCRIPTION OF PROPERTY

STATE OF TEXAS
COUNTY OF TRAVIS

EXHIBIT "A"

51.955 ACRES SITUATED IN
THE JAMES BURLESON
SURVEY NO. 19 ABSTRACT
NO. 4
IN TRAVIS COUNTY, TEXAS

LEGAL DESCRIPTION

DESCRIPTION OF A 51.955 ACRE TRACT OF LAND SITUATED IN THE JAMES BURLESON SURVEY NO. 19, ABSTRACT NO. 4, IN TRAVIS COUNTY, TEXAS, BEING A PART OF THAT CERTAIN 20.045 ACRE TRACT OF LAND AS DESCRIBED IN A DEED TO MORNINGWOOD INVESTMENTS, L.P. OF RECORD IN DOCUMENT No. 200721185 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, BEING ALSO A PART OF THAT CERTAIN 44.871 ACRE TRACT OF LAND AS DESCRIBED IN A DEED TO MORNINGWOOD INVESTMENTS, L.P. OF RECORD IN DOCUMENT No. 200721186 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, AND BEING A PART OF THAT CERTAIN 20.031 ACRE TRACT OF LAND AS DESCRIBED IN A DEED TO MORNINGWOOD INVESTMENTS, L.P. OF RECORD IN DOCUMENT No. 200721186 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, SAID 51.955 ACRE TRACT OF LAND BEING DESCRIBED BY METES AND BOUNDS AS FOLLOWS AND AS SHOWN ON THE ATTACHED SKETCH:

BEGINNING at a ½ inch iron rod found for the southwest corner of the herein described tract, being also the northwest corner of Lot 1, Block A, of Performance Truck Subdivision, a subdivision of record in Document No. 199900379 of the Plat Records of Travis County, Texas, being also the southwest corner of said 44.781 acre tract, and being in the east line of Ed Bluestein Boulevard (U.S. 183), a right-of-way of varied width;

THENCE with the west line of the herein described tract, the west line of said 44.871 acre tract and the east line of said Ed Bluestein Boulevard (U.S. 183) right-of-way, the following two (2) courses and distances;

1. N 77°50'11" E, for a distance of 145.23 feet to a Type II Concrete Monument, and
2. N 15°57'27" E, for a distance of 367.52 feet to a ½" iron rod set with cap stamped "ZWA" also being the southwest corner of Lot 1, of Boggy Creek Lift Station Addition, a subdivision of record in Book 75, Page 218 of the Plat Records of Travis County, Texas;

THENCE S 81°24'51" E with the west line of the herein described tract, the the south line of said Lot 1 of Boggy Creek Lift Station Addition, and the west line of said 44.871 acre tract, for a distance of 335.95 feet to a ½" iron rod set with cap stamped "ZWA" for an ell corner of the herein described tract and being also the southeast corner of said Lot 1 of Boggy Creek Lift Station Addition;

THENCE N 08°34'12" E, continuing with the west line of the herein described tract and the west line of said 44.871 acre tract and with the east line of said Lot 1 of Boggy Creek Lift Station

ZWA- JOB NO.
07-1014-09

Addition, at approximately 289.89 feet pass the northeast corner of said Lot 1 of Boggy Creek Lift Station Addition for a total distance of 299.81 feet to a ½" iron rod set with cap stamped "ZWA" for the northwest corner of the herein described tract and being in the south line of Shelton Road, a 60 foot right-of-way;

THENCE with the north line of the herein described tract and the south line of said right-of-way line of Shelton Road the following six (6) courses and distances:

1. S 81°26'24" E for a distance of 875.70 feet to a ½" iron rod set with cap stamped "ZWA",
2. S 88°39'19" E for a distance of 51.33 feet to a ½" iron rod set with cap stamped "ZWA",
3. N 67°57'41" E for a distance of 46.53 feet to a ½" iron rod set with cap stamped "ZWA",
4. S 81°26'19" E for a distance of 15.81 feet to a ½" iron rod set with cap stamped "ZWA",
5. N 08°31'50" E for a distance of 29.90 feet to a ½" iron rod found with cap, and
6. S 81°28'11" E for a distance of 1240.50 feet to a ½" iron pipe found for the northeast corner of the herein described tract, being also the northeast corner of said 44.871 acre tract and being also the northwest corner of that certain 2.15 acre tract of land as described in a deed to the Juan F. Juarez and Rebecca R. Juarez Living Trust in Document No. 1999119894, of the Official Public Records of Travis County, Texas;

THENCE S 33°35'16" E, with the west line of said 2.15 acre tract, the east line of said 44.871 acre tract and the herein described tract for a distance of 425.28 feet to a ½" iron rod found with cap for the southeast corner of said 2.15 acre tract, being also the most easterly corner of said 44.871 acre tract, and being on the west bank of the Colorado River;

THENCE with the east line of said 44.871 acre tract and the west bank of Colorado River the following four (4) courses and distances:

1. S 64°28'26" W for a distance of 274.28 feet to a ½" iron rod found with cap,
2. S 38°53'59" W for a distance of 649.86 feet to a ½" iron rod found with cap,
3. S 42°32'51" W for a distance of 568.47 feet to a ½" iron rod found with cap, and
4. S 52°37'57" W for a distance of 551.23 feet to a ½" iron rod found with cap found in the east line of that certain 4.98 acre tract of land as described in a deed to Carol Cardoza of record in Document no. 2006122267, of the Official Public Records of Travis County, Texas and being in the southwest line of said 44.871 acre tract;

THENCE N 12°23'15" W, with the east line of said 4.98 acre tract, the west line of said 44.871 acre tract and the west line of the herein described tract, for a distance of 813.48 feet to a ½" iron rod set with cap stamped "ZWA",

THENCE departing the east line of said 4.98 acre tract and over and across said 44.871 acre tract the following nineteen (19) courses and distances:

1. N 62°09'36" E for a distance of 336.02 feet to a ½" iron rod set with cap stamped "ZWA",

2. N 64°30'38" E for a distance of 50.00 feet to a ½" iron rod set with cap stamped "ZWA",
3. N 25°29'22" W for a distance of 115.00 feet to a ½" iron rod set with cap stamped "ZWA",
4. S 64°30'38" W for a distance of 34.09 feet to a ½" iron rod set with cap stamped "ZWA",
5. N 25°39'39" W for a distance of 207.36 feet to a ½" iron rod set with cap stamped "ZWA",
6. N 08°27'50" W for a distance of 130.06 feet to a ½" iron rod set with cap stamped "ZWA",
7. N 08°33'41" E for a distance of 200.31 feet to a ½" iron rod set with cap stamped "ZWA",
8. N 05°21'52" E for a distance of 73.14 feet to a ½" iron rod set with cap stamped "ZWA",
9. N 88°42'51" W for a distance of 45.13 feet to a ½" iron rod set with cap stamped "ZWA" beginning a curve to the right,
10. Along said curve to the right, an arc distance of 41.27 feet, said curve having a radius of 325.00 feet, a central angle of 07°16'33" and a chord bearing of N 85°04'34" W, for a chord distance of 41.24 feet to a ½" iron rod set with cap stamped "ZWA" at the beginning a curve to the left,
11. Along said curve to the left, an arc distance of 39.27 feet, said curve having a radius of 25.00 feet, a central angle of 90°00'00" and a chord bearing of S 53°33'42" W, for a chord distance of 35.36 feet to a ½" iron rod set with cap stamped "ZWA" at the end of a curve,
12. N 81°26'19" W for a distance of 50.00 feet to a ½" iron rod set with cap stamped "ZWA" at the beginning a curve to the left,
13. Along said curve to the left, an arc distance of 39.27 feet, said curve having a radius of 25.00 feet, a central angle of 90°00'00" and a chord bearing of N 36°26'19" W, for a chord distance of 35.36 feet to a ½" iron rod set with cap stamped "ZWA" at the end of a curve,
14. N 81°26'19" W for a distance of 180.00 feet to a ½" iron rod set with cap stamped "ZWA" at the beginning a curve to the left,
15. Along said curve to the left, an arc distance of 39.27 feet, said curve having a radius of 25.00 feet, a central angle of 90°00'00" and a chord bearing of S 53°33'41" W, for a chord distance of 35.36 feet to a ½" iron rod set with cap stamped "ZWA" at the end of a curve,

16. N 81°26'19" W for a distance of 50.00 feet to a ½" iron rod set with cap stamped "ZWA" at the beginning a curve to the left,
17. Along said curve to the left, an arc distance of 39.27 feet, said curve having a radius of 25.00 feet, a central angle of 90°00'00" and a chord bearing of N 36°26'19" W, for a chord distance of 35.36 feet to a ½" iron rod set with cap stamped "ZWA" at the end of a curve,
18. N 81°26'19" W for a distance of 172.23 feet to a ½" iron rod set with cap stamped "ZWA", and
19. S 25°36'14" W for a distance of 737.34 feet to a ½" iron rod set with cap stamped "ZWA", lying in the north line of said Lot 1, Block A, of Performance Truck Subdivision;

THENCE N 65°02'46" W, with south line of herein described tract and the north line of said Lot 1, Block A, of Performance Truck Subdivision, for a distance of 715.35 feet to POINT OF BEGINNING and containing 51.955 acres of land.

BEARING BASIS

THE BEARINGS SHOWN ARE GRID BEARINGS. ALL DISTANCE SHOWN ARE SURFACE DISTANCES AND ARE BASED ON THE TEXAS STATE PLANE COORDINATE SYSTEM, TEXAS CENTRAL ZONE, NAD83 (93) HARN.

THE STATE OF TEXAS §
 §
 COUNTY OF TRAVIS §

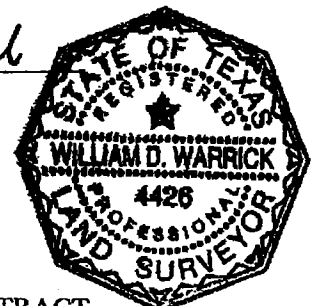
KNOW ALL MEN BY THESE PRESENTS:

That I, William D. Warrick, a Registered Professional Land Surveyor, do hereby state that the above description is true and correct to the best of my knowledge and belief and that the property described herein was determined by a survey made on the ground during January, 2008 under my direction and supervision.

WITNESS MY HAND AND SEAL at Austin, Travis County, Texas this the 11th day of July 2008, A.D.

Zamora-Warrick and Associates, L.L.C.
 4412 Spicewood Springs Road, Suite 200
 Austin, Texas 78759

William D. Warrick
 William D. Warrick
 Registered Professional Land Surveyor
 No. 4426 – State of Texas



REFERENCES

ZWA FIELD NOTE NO. FN-07-1014-09

ZWA- JOB NO.
 07-1014-09

Page 4 of 4

51.955 ACRE TRACT
 Knollwood Boundary

EXHIBIT B:

SUBDIVISION IMPROVEMENTS

External Subdivision Improvements. Subdivider and City agree the following improvements located outside the boundaries of the Subdivision are required in connection with the approval and development of the Subdivision (collectively, the "External Subdivision Improvements"). Subdivider agrees to deliver a financial guarantee acceptable in form and substance to the City Attorney in an amount equal to Subdivider's pro-rata share of the estimated cost to construct and install the External Subdivision Improvements, in the amount listed below, as follows:

Description of Improvement(s)		Total Estimated Cost
a)	Street Construction – Shelton Road	\$ 17,573.20
b)	Sidewalks	\$ 2,184.00
Sub-total		\$ 19,757.20

Internal Subdivision Improvements. Subdivider and City agree the following improvements located inside the boundaries of the Subdivision are required in connection with the approval and development of the Subdivision (collectively, the "Internal Subdivision Improvements"). Subdivider agrees to deliver a financial guarantee acceptable in form and substance to the City Attorney in an amount equal to the Estimated Cost of Completion listed below, as follows:

Description of Improvement(s)		Estimated Cost of Completion
a)	Water Quality Ponds	\$ 155,371.25
b)	Erosion Controls	\$ 33,100.00
c)	Restoration	\$ 157,394.00
d)	Sidewalks	\$ 5,488.00
Sub-total		\$ 351,353.25
TOTAL		\$ 371,110.45

AFTER RECORDING, RETURN TO:

City of Austin
Watershed Protection Development Review Department
P.O. Box 1088
Austin, Texas 78767
Attn: Carol Barnes

Recorders Memorandum-At the time of recordation this instrument was found to be inadequate for the best reproduction, because of illegibility, carbon or photocopy, discolored paper, etc. All blockouts, additions and changes were present at the time the instrument was filed and recorded.

FILED AND RECORDED

OFFICIAL PUBLIC RECORDS

Dana DeBeauvoir

2008 Aug 22 01:49 PM

2008142529

CARTERT \$120.00

DANA DEBEAUVOIR COUNTY CLERK
TRAVIS COUNTY TEXAS

**AMENDED MANAGEMENT CERTIFICATE
OF
KNOLLWOOD ON THE COLORADO HOMEOWNERS' ASSOCIATION, INC.**

The undersigned, being an officer of Knollwood on the Colorado Homeowners' Association, Inc., and in accordance with Section 209.004 of the Texas Property Code, does hereby certify as follows:

1. The name of the subdivision: Knollwood on the Colorado.
2. The name of the association: Knollwood on the Colorado Homeowners' Association, Inc., a Texas non-profit corporation.
3. The recording data for the subdivision: (i) Knollwood on the Colorado River, Section One, a subdivision in Travis County, Texas according to the map or plat of record in Document No. 200800244, Plat Records, Travis County, Texas, as amended; and (ii) Knollwood on the Colorado River, Section 2A, a subdivision in Travis County, Texas according to the map or plat of record in Document No. 201200214, Plat Records, Travis County, Texas, as amended.
4. The recording data for the declaration: (i) Declaration of Covenants, Condition and Restrictions for Knollwood on the Colorado, Section One, recorded under Document No. 2008142528, Official Public Records of Travis County, Texas, as amended and (ii) Supplemental Declaration Providing for Annexation of Knollwood on the Colorado, Phase II into Knollwood on the Colorado Homeowners Association, Inc., recorded under Document No. 2013004960, Official Public Records of Travis County, Texas, as amended.
5. The name and mailing address of the association: Knollwood on the Colorado Homeowners' Association, Inc.; c/o RealManage, P.O. Box 803555, Dallas, Texas 75380.
6. The mailing address of the person managing the association: RealManage, Manager: Jodie Walker, 10800 Pecan Park Blvd., Suite 100, Austin, Texas 78750.

[SIGNATURE PAGE FOLLOWS]

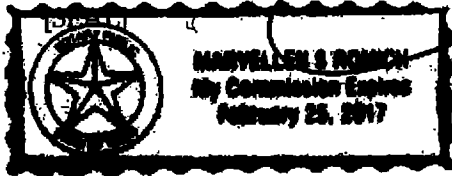
This Certificate is effective as of the 31 day of DECEMBER 2013.

KNOLLWOOD ON THE COLORADO HOMEOWNERS'
ASSOCIATION, INC., a Texas non-profit corporation

By: [Signature]
Name: KENNETH T BLAKEN
Title: RESIDENT

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

This instrument was acknowledged before me on 31 day of DECEMBER, 2013, by Kenneth Blaken, the Resident of Knollwood on the Colorado Homeowners' Association, Inc., a Texas non-profit corporation, on behalf of said non-profit corporation.



[Signature]
Notary Public Signature

MARYELLEN S. ROMICH
Commission EXPIRES: FEBRUARY 25, 2017

AFTER RECORDING RETURN TO:

Carey Gurn Venditti, Of Counsel
Winstead PC
401 Congress Avenue, Suite 2100
Austin, Texas 78701
Email: rburton@winstead.com



**FILED AND RECORDED
OFFICIAL PUBLIC RECORDS**

Dana Debeauvoir

DANA DEBEAUVOIR, COUNTY CLERK
TRAVIS COUNTY, TEXAS

January 22 2014 02:38 PM

\$\$\$ \$ 34.00 2014010242



TRV
7 PGS

2012145277

7/21

NOTICE OF DEDICATORY INSTRUMENTS

Declaration of Covenants, Conditions and Restrictions: Recorded as document 2008142528, Official Public Records, Travis County, Texas, and as thereafter amended.

Association: Knollwood on the Colorado Homeowners Association, Inc.

Subdivision Name: Knollwood on the Colorado

Pursuant to Texas Property Code §202.006, the Association gives notice that all property subject to the Declaration referenced above is also subject to the following dedicatory instruments:

1. Collection Policy, attached as **Exhibit A**;

Each dedicatory instrument is complete, correct, and current as of the date of this Notice, but may be amended from time to time. A current copy of each dedicatory instrument can be obtained from the Association's managing agent, RealManage, 10800 Pecan Park Blvd., Suite 100, Austin, TX 78750, or the successor managing agent shown in the most recent management certificate recorded in the County property records.

EXECUTED this 6 day of August, 2012

KNOLLWOOD ON THE COLORADO
HOMEOWNERS ASSOCIATION, INC.

By:

Printed Name:

Title:

Kenneth T. Blakely
PRESIDENT

AFTER RECORDING RETURN TO:

Knollwood on the Colorado HOA
c/o RealManage
10800 Pecan Park Blvd., Suite 100
Austin, TX 78750

STATE OF TEXAS

COUNTY OF TRAVIS

This instrument was acknowledged before me on the 6 day of August, 2012, by Kenneth T. Blaker the President of Knollwood on the Colorado Homeowners Association, Inc., on behalf of said corporation.



Sara F. Huff
NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS

AFTER RECORDING RETURN TO:
Knollwood on the Colorado HOA
c/o RealManage
10800 Pecan Park Blvd., Suite 100
Austin, TX 78750

EXHIBIT A

Knollwood on the Colorado Homeowners' Association, Inc.

**BOARD RESOLUTION FOR ADOPTING THE POLICIES AND PROCEDURES FOR THE
COLLECTION OF ASSESSMENTS AND OTHER CHARGES OF THE ASSOCIATION**

WHEREAS, the Declaration of Covenants, Conditions and Restrictions governing the Knollwood on the Colorado Homeowners' Association, Inc. (the "Association") grants the authority to the Board of Directors to collect assessments for common expenses from the members of the Association; and

WHEREAS, the Board of Directors deems it to be in the best interests of the Association to adopt a uniform and systematic procedure for dealing with delinquent accounts in a timely manner;

THEREFORE, BE IT RESOLVED that the Board of Directors grants RealManage (the "Management Company") as agent for the Association the authority to engage the Association's attorney, lien service, or collection agency in accordance with the Policies and Procedures for the Collection of Assessments and Other Charges of the Association **only upon individual account approval designated in writing by the Board of Directors;** and

BE IT FURTHER RESOLVED that the Board of Directors of the Knollwood on the Colorado Homeowners' Association, Inc. met on the 26 day of JUNE, 2012 and adopted the attached Policies and Procedures for the Collection of Assessments and Other Charges of the Association dated 6/15/2012.

ATTEST:

Signature:

Printed Name:

Title:

Robert T. Scallion
ROBERT T. SCALLION
PRESIDENT
(President or Secretary)

Knollwood on the Colorado Homeowners' Association, Inc.

Policies and Procedures for the Collection of Assessments and Other Charges of the Association

The Board of Directors of Knollwood on the Colorado Homeowners' Association, Inc. (the "Association") has adopted the following policies and procedures for the collection of assessments and other charges of the Association. The policies and procedures detailed herein will be implemented on behalf of the Board of Directors by RealManage (the "Management Company") as agent for the Association unless otherwise stated.

Obligation to Pay Assessments

Membership in the Association is mandatory pursuant to the terms and conditions of the Declaration. A property owner is legally obligated to pay the Assessments to the Association even if the Association's facilities or amenities are not used by the property owner. The property owner may not withhold assessment payments even if the association is not providing maintenance or other services mandated by the Association's governing documents.

Due Dates

Assessments are due on the 1st as follows: 1/1.

Invoices

The association may, but shall not be required to, invoice a property owner as a condition to an owner's obligation to pay assessment or other charges of the Association. As a matter of course, assessments are invoiced by statements. Non-receipt of an invoice shall in no way relieve the property owner of the obligation to pay the amount due by the due date. Property owners who do not receive their invoice are responsible for contacting the Management Company prior to the due date to request a replacement. Property owners are responsible for notifying the Management Company of their mailing address at the time of acquiring property ownership and any subsequent mailing address change.

Late Payment Charges

An assessment shall be past due and subject to late payment charges if not paid in full as follows:

Assessments are LATE in the amounts specified after these dates: \$20.00 After 12/1, \$20.00 After 1/1, \$20.00 After 2/1, \$20.00 After 3/1, \$20.00 After 4/1, \$20.00 After 5/1, \$20.00 After 6/1, \$20.00 After 7/1, \$20.00 After 8/1, \$20.00 After 10/1, \$20.00 After 11/1

Return Payment Charges

A non-negotiable fee of not less than \$25.00 will be assessed to the property owner for any payment processed that is not honored by a bank or financial institution for any reason including but not limited to insufficient funds. Such return payment charge shall be due and payable immediately upon demand. Any applicable late payment charges, which would have been assessed if the payment had not been made, may also be applied to the property owner's account. The payment of the outstanding account balance will be required to be paid with a money order or cashier's check. Personal checks will not be accepted to satisfy an outstanding account balance when an insufficient fund check makes up a portion of the balance.

Referral of Delinquent Accounts to Attorneys

The Association may, but shall not be required to, refer delinquent accounts to its attorney(s) for further collection action. The Association's attorney, at the direction of the Board of Directors and on behalf of the Association, may elect to pursue any available method of collection allowable under state law, which may include, but not be limited to, the filing of a lawsuit for foreclosure against the property owner.

Referral of Delinquent Accounts to Lien Services or Collection Agencies

The Association may, but shall not be required to, refer delinquent accounts to lien services providers or collection agencies for further collection action. These service providers, at the direction of the Board of Directors and on behalf of the Association, may elect to pursue any available method of collection allowable under state law.

Delinquent Statements and Notices

Statement of Account

A Statement of Account reflecting the delinquent balance of a property owner's account is provided to all homeowners each calendar month. [1] The Statement of Account will include applicable late payment charges as detailed above. The Statement of Account is mailed by regular mail and is available on the Resident Portal at www.RealManage.com.

Delinquency Notices

Each subsequent month the property owner's account remains delinquent, the following series of delinquent account notices and demand for payment are included with the Statement of Account in sequential order if the property owner's account balance is greater than or equal to 30 days delinquent (based upon Due Date) and greater than or equal to 1 x Assessment Amount.

Notice 1

The notice shown below will be included on a property owner's Statement of Account when the balance meets the criteria stated above and the previous Statement of Account did not meet the criteria for a delinquency notice.

Delinquent Account Notice

THE ASSOCIATION IS ATTEMPTING TO COLLECT A DEBT AND ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

Your account is delinquent. In accordance with the governing documents and policies adopted by the Association, delinquent accounts may be referred to an attorney for legal action, including filing a Notice of a Lien against your property. In addition to all applicable late fees and interest charges, you will be responsible for any collection fees and legal costs. A payment plan is available to you. In order to avoid having your account turned over to an attorney or collection agent you must either pay your delinquent balance in full or contact RealManage to enter into an approved payment plan. There is an administrative fee in connection with a payment plan. You may have special rights or relief related to the enforcement action under federal law, including the Service members Civil Relief Act (50 U.S.C. app. Section 501 et seq.), if the owner is serving on active military duty.

Please review your records and contact RealManage if you believe there is a discrepancy. If you have already remitted a payment to bring your account current, please disregard this notice. If this information is correct, please remit a payment in the amount stated above plus any additional amounts that may accrue subsequent to the date of this statement by <DueDate> to avoid further collection action.

Thank you for your cooperation in this matter.

Notice 2

The notice shown below will be included on a property owner's Statement of Account when the balance meets the criteria stated above and the previous Statement of Account included Notice 1.

DELINQUENT ACCOUNT - FINAL NOTICE

THE ASSOCIATION IS ATTEMPTING TO COLLECT A DEBT AND ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

Your account with the Knollwood on the Colorado Homeowners' Association, Inc. is delinquent. Your balance, including assessments and late charges, due is <CurrentBalance> as of <PreviousDate>.

In accordance with the governing documents and policies adopted by Knollwood on the Colorado Homeowners' Association, Inc., your account will be referred to the Association's attorney for who will be authorized and instructed to file a Notice of Lien against your property. In addition to all applicable late fees and interest charges, you will be responsible for any collection fees and legal costs.

YOU ARE HEREBY NOTIFIED that failure to timely pay your Assessments is a violation of the Association's Declaration. To cure that violation, you must pay your account current within 30 days of the date of this statement.

A payment plan is available to you. In order to avoid having your account turned over to an attorney or collection agent, within 30 days of this notice, you must either pay your delinquent balance in full or contact RealManage to enter into an approved payment plan. There is an administrative fee in connection with a payment plan. You may have special rights or relief related to the enforcement action under federal law, including the Service members Civil Relief Act (50 U.S.C. app. Section 501 et seq.), if the owner is serving on active military duty.

Please review your records and contact a RealManage Resident Service Advisor at either 1-866-4-REALSERVICE (1-866-473-2573) or Service@RealManage.com if you believe there is a discrepancy. Please reference your 16-digit account number.

If this information is correct, please remit a payment in the amount stated above plus any additional amounts that may accrue subsequent to the date of this statement by <DueDate> to avoid further collection action. A self addressed envelope is enclosed for your convenience. You may also make an on-line payment at www.realmanage.com.

Thank you for your cooperation in this matter.

Post Final Notice

The notice shown below will be included on a property owner's Statement of Account when the balance meets the criteria stated above and the previous Statement of Account included the "final" notice above or this notice prior to referral to an attorney, lien service, or collection agency for further collection action.

Delinquent Account - Post Final Notice

THE ASSOCIATION IS ATTEMPTING TO COLLECT A DEBT AND ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

Your account is delinquent and now pending referral to the Association's attorney in order to pursue further collection action. A payment plan is available to you. In order to avoid having your account turned over to an attorney or collection agent you must either pay your delinquent balance in full or contact RealManage to enter into an approved payment plan. There is an administrative fee in connection with a payment plan. You may have special rights or relief related to the enforcement action under federal law, including the Service members Civil Relief Act (50 U.S.C. app. Section 501 et seq.), if the owner is serving on active military duty.

Please review your records and contact RealManage if you believe there is a discrepancy. If you have already remitted a payment to bring your account current, please disregard this notice. If this information is correct, please immediately remit a payment in the amount stated above plus any additional amounts that may accrue subsequent to the date of this statement to avoid further collection action.

Thank you for your cooperation in this matter.

Post Referral Notice

Once an property owner's account has been referred to the association's attorney, lien service, or collection agency for further collection action, the property owner will receive the following notice below on their Statement of Account.[2]

FILED AND RECORDED

OFFICIAL PUBLIC RECORDS

Dana DeBeauvoir

Aug 30, 2012 02:03 PM

2012145277

HAYWOODK: \$40.00

Dana DeBeauvoir, County Clerk

Travis County TEXAS

ASSIGNMENT OF DECLARANT'S RIGHTS

STATE OF TEXAS

§

§

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF TRAVIS

§

THIS ASSIGNMENT OF DECLARANT'S RIGHTS ("Assignment") is to be effective as of July 11, 2014 ("Effective Date"), by and between Morningwood Investments, LP, a Texas limited partnership, by and through its general partner, Morningwood Development, LLC, a Texas limited liability company ("Assignor") and Pacesetter Homes, LLC, a Texas limited liability company ("Assignee").

WITNESSETH:

WHEREAS, Assignor did execute that certain Declaration of Covenants, Conditions and Restrictions for Knollwood on the Colorado, Section 1, to be effective as of July 18, 2008, as recorded in Document number 2008142528 of the Official Public Records of Travis County, Texas, as amended from time to time, (the "Declaration"); and

WHEREAS, Assignor now desires to assign to Assignee, and Assignee desires to accept such assignment and assume all of Assignor's rights and obligations as the "Declarant" under the Declaration and all of Assignor's rights, powers and privileges as a Member (as defined in the Declaration) of the Association (as defined in the Declaration) under the Declaration.

NOW, THEREFORE, for and in consideration of the premises, the covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Assignor hereby transfers and assigns to Assignee all of Assignor's rights and obligations as the "Declarant" under the Declaration and all of Assignor's rights, privileges, powers and obligations as a Member of the Association, and Assignee is hereby designated and declared to be the new "Declarant" under the Declaration.

2. Assignee hereby accepts the foregoing assignment from Assignor and assumes all of the obligations and liabilities of Assignor as the "Declarant" arising under the Declaration and all of the obligations of Assignor as a Member of the Association, after the date of this Assignment.

3. This Assignment shall be binding upon and inure to the benefit of Assignor, Assignee and their respective successors and assigns. This Assignment shall not be modified, except in writing executed by both parties hereto. This Assignment shall be governed by and construed and enforced in accordance with the laws of the State of Texas. This Assignment constitutes the entire agreement of the parties hereto with respect to the Declaration and supersedes all prior and contemporaneous understandings and agreements between the parties with respect to the Declaration.

Executed to be effective as of the Effective Date.

ASSIGNOR:

Morningwood Investments, LP

By: Morningwood Development, LLC,
its sole general partner

By: [Signature]
Name: KENNETH T. BLAKER
Title: PRESIDENT

ASSIGNEE:

Pacesetter Homes, LLC

By: [Signature]
Name: Tom Lynch
Title: Manager



THE STATE OF TEXAS
COUNTY OF TRAVIS

§

§

This instrument was acknowledged before me on APRIL 16, 2015, by KENNETH T. BLAKER, as PRESIDENT of Morningwood Development, LLC, general partner of Morningwood Investments, LP.

[Signature]

Notary Public, State of Texas

THE STATE OF TEXAS
COUNTY OF TRAVIS

§

§

This instrument was acknowledged before me on April 16, 2015, by Tom Lynch, as Manager of Pacesetter Homes, LLC.

[Signature]
Notary Public, State of Texas



FILED AND RECORDED
OFFICIAL PUBLIC RECORDS

[Signature]
DANA DEBEAUVOIR, COUNTY CLERK
TRAVIS COUNTY, TEXAS

April 16 2015 04:23 PM



**Knollwood on the Colorado Homeowners' Association, Inc.
Management Certificate**

This Management Certificate is recorded pursuant to Chapter 209.004 of the Texas Property Code, and is as follows:

The name of the subdivision is: Knollwood on the Colorado

The name of the Association is: Knollwood on the Colorado Homeowners' Association, Inc.

The recording data for the subdivision is:

Knollwood on the Colorado River Section One, filed on August 22, 2008 and recorded in Document No. 200800244 of the Official Public Records of Travis County, Texas.

The recording data for the Declaration is:

Declaration of Covenants, Conditions and Restrictions for Knollwood on the Colorado, Section One, Travis County, Texas, filed on August 22, 2008 and recorded in Document No. 2008142528 of the Official Public Records of Travis County, Texas.

The following documents have been recorded to incorporate the Association:

Certificate of Formation of Knollwood on the Colorado Homeowners' Association, Inc. filed in the Office of the Secretary of State of Texas on March 20, 2009.

The following are additional documents that have been filed and recorded with Travis County, Texas:

Notice of Dedicatory Instruments, filed on July 5, 2012 and recorded in Document No. 2012108129 of the Official Public Records of Travis County, Texas, and Notice of Dedicatory Instruments, filed on August 30, 2012 and recorded in Document No. 2012145277 of the Official Public Records of Travis County, Texas.

The following documents have been recorded to annex or add land to the Declaration:

None other than the Declaration documents listed above.

The mailing address of the Association and the name and mailing address of the person/entity managing the Association is:

Knollwood on the Colorado Homeowners' Association, Inc.
c/o RealManage
P. O. Box 803555
Dallas, Texas 75380-3555

Other information the Association considers appropriate is:

Information may be obtained by calling the Association's Management Company at 866-473-2573.

Resale certificates are requested via the RealManage Closing Portal at www.realmanage.com/closingportal.



Kristen Zimmerman
Managing Agent, Knollwood on the Colorado Homeowners' Association, Inc.
RealManage

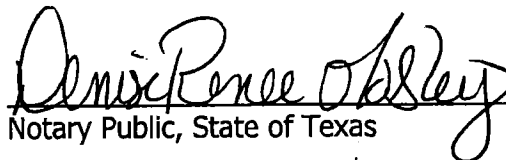
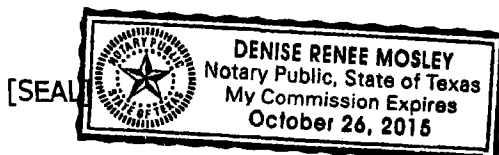
ACKNOWLEDGMENT

STATE OF TEXAS

§
§
§

COUNTY OF TRAVIS

This instrument was acknowledged before me on September 25, 2012 by Kristen Zimmerman, managing agent of Knollwood on the Colorado Homeowners' Association, Inc., a Texas nonprofit corporation, on behalf of said corporation.


Notary Public, State of Texas

Denise Renee Mosley
Typed or printed name
My commission expires: 10-26-15

After Recording Return to:
Cheryl Bleiler Veldman
RealManage
113 Morewood Road
Glenshaw, PA 15116

FILED AND RECORDED

OFFICIAL PUBLIC RECORDS



Sep 28, 2012 12:59 PM

2012163757

BALASHS: \$20.00

Dana DeBeauvoir, County Clerk
Travis County TEXAS

THE STATE OF TEXAS
COUNTY OF TRAVIS

UN-4-6525- 7169 * 1:50

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned K. C. Miller, also known as Kleber C. Miller, Jr., a married man.

for a good and valuable consideration, the receipt of which is hereby acknowledged, do hereby grant to the City of Austin, a municipal corporation situated in Travis County, Texas, the right to enter and place, construct, operate, repair, maintain and replace electric lines and systems, and to allow telephone lines to be constructed and maintained when placed on the same pole facilities, and to cut and trim trees and shrubbery and remove obstructions to the extent necessary to keep them clear of said electric lines and systems, upon, along and across the following described tract of land situated in Travis County, Texas:

That certain tract of land situated in the James Burleson
Survey, and described in a deed from Gladys Miller Morgan et al
to K. C. Miller
dated July 9, 1964 and appearing of record in Vol.
2815 at Page 403 of the Deed Records of Travis County,
Texas,

A strip of land five (5) feet in width, same being out of and a part of the above described tract of land in Travis County, Texas, said strip of land being more particularly described by metes and bounds as follows:

BEGINNING at a point in the present northwest line of the above described tract of land, said point being in the southeast right-of-way line of the new Loop 111, and from which point of beginning the most southerly corner of a tract of land conveyed to the State of Texas, by deed of record in Volum 2837, Page 318, Deed Records of Travis County, Texas, bears S. 37° 19' W., 302 feet;

THENCE S. 57° 15' E., a distance of 45 feet to point of termination.

In the event the electric installations within the bounds of this easement obstruct the future development of said land, the City of Austin will as necessary and in a feasible and practical manner, relocate said installation to another mutually agreeable easement, at no cost to said owner.

To have and to hold the same perpetually unto the City of Austin and to its successors and assigns, together with the right and privilege at any and all times to enter said premises for the purposes hereinabove stated and for the further purposes of inspecting said lines and systems whenever necessary, and of relocating and removing the same.

The undersigned K. C. Miller covenants that he is the owner of the above described lands and that the said lands are free and clear of encumbrances and liens of whatsoever character except those held by the following:

and also covenants that the above said lands constitute no part of his homestead.

It is further understood that, whenever necessary, words used in this instrument in the singular shall be construed to read in the plural and that the words used in the masculine gender shall be construed to read in the feminine.

WITNESS my hand this the 13 day of January, 1965.

K. C.

K. C. Miller

THE STATE OF TEXAS,

County of Travis

BEFORE ME,

J. R. Davis

, a Notary Public in and for

Travis

County, Texas, on this day personally appeared K. C. Miller

known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 13th day of JANUARY, A. D. 19 65.

(NOTARY SEAL)

Notary Public

Travis

County, Texas.

County Clerk is and for said County hereby certify that the within Conveyance was filed in my office for record on the _____ day of _____, 19____ at _____ o'clock _____ M., and duly recorded by me on the _____ day of _____, 19____ in Book _____ Records of Deeds of said County, at page _____ Given under my hand and seal of office this day and year last above written.

County Clerk
By _____ County, Texas
Deputy.

THE STATE OF TEXAS,

CITY OF AUSTIN

TO

K. C. MILLER

FROM

Easement and
Right of Way

TRAVIS

THE STATE OF TEXAS

CITY OF AUSTIN
ELECT. NOT. ASSESSMENT
NO. 2, 111-65

THE STATE OF TEXAS,

County of _____

BEFORE ME,

, a Notary Public in and for

County, Texas, on this day personally appeared _____

wife of _____ known to me to be the person whose name is subscribed to the foregoing instrument, and having been examined by me privily and apart from her husband, and having the same fully explained to her, she, the said _____, acknowledged such instrument to be her act and deed, and declared that she had willingly signed the same for the purposes and consideration therein expressed and that she did not wish to retract it.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this _____ day of _____, A. D. 19____.

FILED

Notary Public

Emilie Limburg
COUNTY CLERK
TRAVIS COUNTY, TEXAS

THE STATE OF TEXAS,

County of _____

BEFORE ME,

, a Notary Public in and for

County, Texas, on this day personally appeared _____

President of _____ of the County and State aforesaid, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same as the act and deed of _____ and as the President thereof, and for the purposes and consideration therein expressed.

STATE OF TEXAS, COUNTY OF TRAVIS, GIVEN UNDER MY HAND AND SEAL OF OFFICE this _____ day of _____, A. D. 19____.

I hereby certify that this instrument was FILED on the _____ date and at the time stamped herein by me; and was duly RECORDED, in the Volume and Page of the named RECORDS of Travis County, Texas, as Stamped herein by me, on _____

DEED RECORDS
Travis County, Texas



Emilie Limburg
COUNTY CLERK,
TRAVIS COUNTY, TEXAS

2969 212

JUN 4 3 59 PM '65

WASTEWATER LINE EASEMENT

THE STATE OF TEXAS

§
§
§

KNOW ALL BY THESE PRESENTS:

COUNTY OF TRAVIS

THAT McCandless Bluestein Venture, Travis County, Texas, herein called "Grantor," whether one or more, in consideration of the sum of \$10 and other good and valuable consideration, to Grantor in hand paid by the CITY OF AUSTIN, TEXAS, the receipt and sufficiency of which is acknowledged, has this day GRANTED, SOLD, AND CONVEYED unto the CITY OF AUSTIN, a municipal corporation, situated in the Counties of Travis, Hays, and Williamson, State of Texas, and whose address is P.O. Box 1088, Austin, Texas 78767-8839, ATTN: Real Estate Services, its successors and assigns (hereinafter "Grantee"), an easement to construct, operate, maintain, repair, replace, upgrade, decommission, and remove wastewater lines and to make connections therewith in, upon and across the following described land:

All that certain parcel of land situated in Travis County, Texas, described in **EXHIBIT A** attached hereto and made a part hereof for all purposes, (the "Easement Tract").

TO HAVE AND TO HOLD the same perpetually to the City of Austin and its successors and assigns together with the right at any time to enter all or part of the Easement Tract to construct, operate, maintain, repair, replace, upgrade, decommission and remove wastewater lines and to make connections therewith provided, however, that Grantor reserves the right to enter upon and use the Easement Tract but Grantor shall not (i) use the Easement Tract in any manner that interferes in any material way or is inconsistent with the Wastewater Easement granted hereunder, or (ii) erect or permit to be erected a building, structure or irrigation systems on any portion of the Easement Tract. Grantee shall restore the surface of the Easement Tract at Grantee's sole expense, including the restoration of any sidewalks, driveways or similar surface improvements located upon or adjacent to the Easement Tract that have been removed, relocated, altered, damaged or destroyed as a result of Grantee's use of the Easement granted hereunder provided, however, that Grantee will not be obligated to restore or replace irrigation systems or other improvements installed in violation of this Easement.

Grantor does hereby covenant and agree to WARRANT AND FOREVER DEFEND title to the Easement herein granted unto the Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof subject to the matters set forth herein.

IN WITNESS WHEREOF, Grantor has executed this instrument on April 26, 2004.

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.



EASE 2004096501

9 PGS

RETURN TO:
ALAMO TITLE COMPANY
STONEBRIDGE PLAZA II
9600 N. MO PAC EXPRESSWAY
SUITE 125
AUSTIN, TEXAS 78759-6507
GF# 03-70354

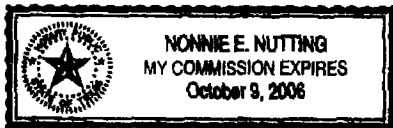
GRANTOR:
McCandless Bluestein Venture

By: *Tom Nelson, Jr.*
Name: Tom E. Nelson, Jr.
Title: Partner

STATE OF TEXAS §
§
COUNTY OF TRAVIS §

This instrument was acknowledged before me on April 26,
2004 by Tom E. Nelson, Jr. , Partner , of **McCandless Bluestein Venture**

[SEAL]



Nonnie E. Nutting
Notary Public, State of Texas

**After Recording ~~Please Return to~~ City of Austin Pick Up
(512) 974-7090**

Attn: Nonnie Nutting

Owner: McCandless Bluestein Joint Venture

Project: Bolm Rd Phase II B to Colorado River

File# : 3779.03

EXHIBIT "A"

TRACT 1: EASEMENT ESTATE ONLY as created and described in Easement Agreement, dated __, by and between McCandless-Bluestein Venture and the City of Austin, recorded in Document No. __, Official Public Records of Travis County, Texas; said wastewater easement being over and across APPROXIMATELY 0.2583 ACRES of land being out of and a portion of the JAMES BURLESON SURVEY NO. 19, ABSTRACT NO. 4, in Travis County, Texas, and more particularly described by metes and bounds in Exhibit "A-1" attached hereto.

TRACT 2: EASEMENT ESTATE ONLY as created and described in EAsement Agreement, dated __, by and between McCandless-Bluestein Venture and the City of Austin, recorded in Document No. __, Official Public Records of Travis County, Texas; said temporary workspace easement being over and across APPROXIMATELY 0.3519 ACRES of land being out of and a portion of the JAMES BURLESON SURVEY NO. 19, ABSTRACT NO. 4, in Travis County, Texas, and more particularly described by metes and bounds in Exhibit "A-2" attached hereto.

The Company is prohibited from insuring the area or quantity of the land described herein. Any statement in the above legal description of the area or quantity of land is not a representation that such area or quantity is correct, but is made only for informational and/or identification purposes and does not override Item 2 of Schedule B hereof.

JAN-28-2003 10:11

JOA REAL ESTATE

512 974 7088

P.03/08

3779.03

EXHIBIT "A"

FN2555

SAM, Inc. Job No. 22089-21

September 6, 2002

McCandless-Bluestein Venture
to City of Austin
(Wastewater Easement)

DESCRIPTION OF A 11,250 SQUARE FOOT (0.2583 ACRE) TRACT OF LAND LOCATED IN THE JAMES BURLESON SURVEY NO. 19, TRAVIS COUNTY, TEXAS; BEING A PORTION OF THE REMAINDER OF A CALLED 33.655 ACRE TRACT DESCRIBED IN A DEED TO McCANDLESS-BLUESTEIN VENTURE, RECORDED IN VOLUME 11420, PAGE 300, OF THE REAL PROPERTY RECORDS OF TRAVIS COUNTY, TEXAS., SAID 11,250 SQUARE FOOT (0.2583 ACRE) TRACT TO BE USED AS A WASTEWATER EASEMENT AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2-inch iron rod with a Texas Department of Transportation (TxDOT) aluminum cap found for an angle point in the existing easterly right-of-way line of U.S. Highway 183, in the southerly line of the remainder of said 33.655 acre tract and for the northeast corner of a called 0.649 acre tract described in a deed to the State of Texas, recorded in Document No. 2001168148, of the Official Public Records of Travis County, Texas, same being the northwest corner of the remainder of Lot 1, Block A, Performance Truck Subdivision, recorded in Document Number 199900379 of the Official Public Records of Travis County, Texas, said Lot 1 conveyed to Sunbelt Cleveland Properties, L.P. by deed recorded in Document No. 1999106339 of the Official Public Records of Travis County, Texas, for the southwest corner and **POINT OF BEGINNING** of the tract described herein, having Texas Coordinate System, Central Zone, NAD 83, (Combined Scale Factor 1.00011) grid coordinates of N=10088529.22, E= 3136145.94, from which a 1/2-inch iron rod with cap found for an angle point in the existing easterly right-of-way of US 183, for the northwest corner of said 0.649 acre tract and west common corner of the remainder of said 33.655 acre tract and said Lot 1, and being in the easterly line of a called 1.410 acre tract described in a deed to the State of Texas, recorded in Volume 2837, page 318, Deed Records Of Travis County, Texas, bears N 65°02'24" W, a distance of 19.47 feet;

THENCE crossing the remainder of said 33.655 acre tract with the proposed easterly right-of-way line of US 183, N 77° 50' 29" E, a distance of 145.19 feet to a TxDOT Type II monument found for an angle point, from which a TxDOT Type II monument found for an angle point on said proposed right-of-way line bears, N 15° 57' 09" E, a distance of 58.90 feet;

THENCE leaving said proposed right-of-way line and continuing to cross the remainder of said 33.655 acre tract, N 25° 41' 06" E, a distance of 381.34 feet to a calculated point in the line common to the northerly line of the remainder of said 33.655 acre tract and the southerly line of Lot 1, Boggy Creek East Lift Station Addition, a subdivision of record in Volume 75, Page 218, Plat Records of Travis County, Texas, same tract being described in a deed to the city of Austin, recorded in Volume 5075, Page 487, Deed Records, Travis County, Texas, for the northwest corner of the tract described herein, from which a TxDOT Type II monument found on the existing easterly right-of-way line of US 183, for the original west common corner of said Lot 1, Boggy Creek East Lift Station Addition and the remainder of said 33.655 acre tract bears, N 81° 24' 19" W, a distance of 65.00 feet, from which TxDOT Type II monument found a 1/2-inch iron rod found bears, N 55° 15' 19" W, a distance of 0.27 feet;

3779.03

EXHIBIT "A"

FN2555

SAM, Inc. Job No. 22089-21

September 5, 2002

McCandless-Bluestein Venture
to City of Austin
(Wastewater Easement)

THENCE with said common line, S 81° 24' 19" E, a distance of 20.82 feet to a calculated point for the northeast corner of the tract described herein, from which a calculated point for the southeast corner of said Lot 1, Boggy Creek East Lift Station Addition and an inside corner of the remainder of said 33.655 acre tract bears, S 81° 24' 19" E, a distance of 250.07 feet,

THENCE crossing the remainder of said 33.655 acre tract the following two (2) courses and distances:

1. S 25° 41' 06" W, a distance of 395.25 feet to a calculated point, and
2. S 70° 41' 06" W, a distance of 114.03 feet to a calculated point in the line common to the southerly line of the remainder of said 33.655 acre tract and the northerly line of the remainder of said Lot 1, Block A, Performance Truck Subdivision, for the southeast corner of the tract described herein, from which a 1/2-inch iron rod with cap found for the northeast corner of said Lot 1, Block A bears, S 65° 02' 24" E, a distance of 686.28 feet,

THENCE with said common line, N 65° 02' 24" W, a distance of 54.03 feet to the POINT OF BEGINNING and containing 11,250 square feet (0.2583) acre of land more or less.

All bearings are based on the Texas Coordinate System, Central Zone, NAD 83.

This description is accompanied by a separate plat; see "Sketch to Accompany Wastewater Easement Field Note No. 2555", page 3 of 3, attached hereto and made a part hereof

THE STATE OF TEXAS)

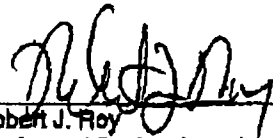
) KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF TRAVIS)

That I, Robert J. Roy, a Registered Professional Land Surveyor, do hereby certify that the above description is true and correct to the best of my knowledge and belief and that the property described herein was determined by a survey made on the ground under my direction and supervision.

WITNESS MY HAND AND SEAL at Austin, Travis County, Texas this the 6th day of September, 2002 A.D.

SURVEYING AND MAPPING, Inc.
4029 Capital Of Texas Hwy. So., Suite 125
Austin, Texas 78704


Robert J. Roy
Registered Professional Land Surveyor
No. 5159 - State of Texas

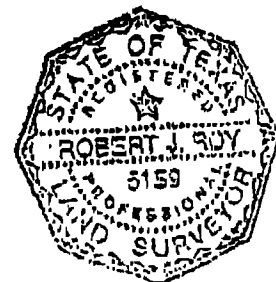
Reference:
TCAD #: 02-0221-0210
AUSTIN GRID: M-21

Page 2 of 3

FIELD NOTES REVIEWED

By JOHN MOORE Date 12-03-2002
Engineering Support Section
Department of Public Works
and Transportation

EXHIBIT "A-1"



JAN-28-2003 10:13

LJA REAL ESTATE

512 974 7088 P.06/08

EXHIBIT "A"

FN2558

SAM, Inc. Job No. 22089-21

September 8, 2002

McCandless-Bluestein Venture
to City of Austin
(Temporary Workspace Easement)

DESCRIPTION OF A 15,329 SQUARE FOOT (0.3519 ACRE) TRACT OF LAND LOCATED IN THE JAMES BURLESON SURVEY NO. 19, TRAVIS COUNTY, TEXAS; BEING A PORTION OF THE REMAINDER OF A CALLED 33.655 ACRE TRACT DESCRIBED IN A DEED TO McCANDLESS-BLUESTEIN VENTURE, RECORDED IN VOLUME 11420, PAGE 300, OF THE REAL PROPERTY RECORDS OF TRAVIS COUNTY, TEXAS, SAID 15,329 SQUARE FOOT (0.3519 ACRE) TRACT TO BE USED AS A TEMPORARY WORKSPACE EASEMENT AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING for reference at a 1/2-inch iron rod with a Texas Department of Transportation (TxDOT) aluminum cap found for an angle point in the existing easterly right-of-way line of U.S. Highway 183, in the southerly line of the remainder of said 33.655 acre tract and for the northeast corner of a called 0.649 acre tract described in a deed to the State of Texas, recorded in Document No. 2001188148, of the Official Public Records of Travis County, Texas, same being the northwest corner of the remainder of Lot 1, Block A, Performance Truck Subdivision, recorded in Document Number 189900379 of the Official Public Records of Travis County, Texas, said Lot 1 conveyed to Sunbelt Cleveland Properties, L.P. by deed recorded in Document No. 1999108339 of the Official Public Records of Travis County, Texas, from which a 1/2-inch iron rod with cap found for an angle point in the existing easterly right-of-way of US 183, for the northwest corner of said 0.649 acre tract and west common corner of the remainder of said 33.655 acre tract and said Lot 1, same being in the easterly line of a called 1.410 acre tract described in a deed to the State of Texas, recorded in Volume 2837, page 318, Deed Records Of Travis County, Texas, bears N 65° 02' 24" W, a distance of 19.47 feet;

THENCE with the line common to the northerly line of said Lot 1 and the southerly line of the remainder of said 33.655 acre tract, S 65° 02' 24" E, a distance of 84.03 feet to a calculated point for the southwest corner and POINT OF BEGINNING of the tract described herein, having Texas Coordinate System, Central Zone, NAD 83, (Combined Scale Factor 1.00011) grid coordinates of N=10068506.42, E= 3136194.91;

THENCE crossing the remainder of said 33.655 acre tract the following two (2) courses and distances:

1. N 70° 41' 06" E, a distance of 114.03 feet to a calculated point, and
2. N 25° 41' 06" E, a distance of 395.25 feet to a calculated point in the line common to the northerly line of the remainder of said 33.655 acre tract and the southerly line of Lot 1, Boggy Creek East Lift Station Addition, a subdivision of record in Volume 75, Page 218, Plat Records of Travis County, Texas, same tract being described in a deed to the City of Austin, recorded in Volume 5075, Page 487, Deed Records, Travis County, Texas, for the northwest corner of the tract described herein, from which a TxDOT Type II monument found on the existing easterly right-of-way line of US 183, for the west common corner of said Lot 1, Boggy Creek East Lift Station Addition and the remainder of said 33.655 acre tract bears, N 81° 24' 19" W, a distance of 85.92 feet, from which TxDOT Type II monument found, a 1/2-inch iron rod found bears, N 55° 15' 19" W, a distance of 0.27 feet;

JAN-28-2003 10:13

LJA REAL ESTATE

512 974 7088

P.07/08

3779.03a

EXHIBIT "A"

FN2556

SAM, Inc. Job No. 22089-21

September 6, 2002

McCandless-Bluestein Venture
to City of Austin
(Temporary Workspace Easement)

THENCE with said common line, S 81° 24' 19" E, a distance of 31.38 feet to a calculated point for the northeast corner of the tract described herein, from which a calculated point for the southeast corner of said Lot 1, Boggy Creek East Lift Station Addition and an inside corner of the remainder of said 33.655 acre tract bears, S 81° 24' 19" E, a distance of 218.68 feet,

THENCE crossing the remainder of said 33.655 acre tract the following two (2) courses and distances:

1. S 25° 41' 07" W, a distance of 418.90 feet to a calculated point, and
2. S 70° 41' 06" W, a distance of 95.69 feet to a calculated point in the line common to the southerly line of the remainder of said 33.655 acre tract and the northerly line of the remainder of said Lot 1, Block A, Performance Truck Subdivision, for the southeast corner of the tract described herein, from which a 1/4-inch iron rod with cap found for the northeast corner of said Lot 1, Block A bears, S 85° 02' 24" E, a distance of 843.30 feet,

THENCE with said common line, N 65° 02' 24" W, a distance of 42.97 feet to the POINT OF BEGINNING and containing 15,929 square feet (0.3619) acre of land more or less.

All bearings are based on the Texas Coordinate System, Central Zone, NAD 83.

This description is accompanied by a separate plat: see "Sketch to Accompany Temporary Workspace Easement Field Note No. 2556", page 3 of 3, attached hereto and made a part hereof

THE STATE OF TEXAS)

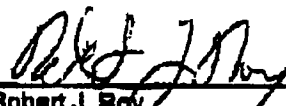
) KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF TRAVIS)

That I, Robert J. Roy, a Registered Professional Land Surveyor, do hereby certify that the above description is true and correct to the best of my knowledge and belief and that the property described herein was determined by a survey made on the ground under my direction and supervision.

WITNESS MY HAND AND SEAL at Austin, Travis County, Texas this the 6th day of September, 2002 A.D.

SURVEYING AND MAPPING, Inc.
4029 Capital Of Texas Hwy. So., Suite 125
Austin, Texas 78704

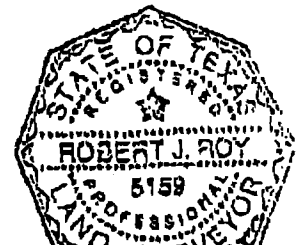

Robert J. Roy
Registered Professional Land Surveyor
No. 5159 - State of Texas

Reference:
TCAD #: 02-0221-0210
AUSTIN GRID: M-21

FIELD NOTES REVIEWED

Page 2 of 3

By John Moore Date 10-03-2002
Engineering Support Section

EXHIBIT "A-2"

FILED AND RECORDED

OFFICIAL PUBLIC RECORDS

Dana DeBeauvoir

2004 May 20 04:25 PM 2004096501

FERGUSONL \$30.00

DANA DEBEAUVOIR COUNTY CLERK

TRAVIS COUNTY TEXAS

Recorders Memorandum-At the time of recordation this instrument was found to be inadequate for the best reproduction, because of illegibility, carbon or photocopy, discolored paper, etc. All blockouts, additions and changes were present at the time the instrument was filed and recorded.

RIGHT-OF-WAY AGREEMENT

FB 11-6-63 3247 * 350

219 350
M/WTAC200-6A14

THE STATE OF TEXAS, |
COUNTY OF TRAVIS. |

For and in consideration of Twenty Five
Dollars (\$ 25.00) in hand paid, the receipt and sufficiency
of which is hereby acknowledged, the undersigned (hereinafter
called Grantor, whether one or more), does hereby GRANT, BARGAIN,
SELL and CONVEY to Lo-Vaca Gathering Company, its successors and
assigns (hereinafter called Grantee), a right-of-way and euse-
ment to construct, maintain, operate, repair, alter, replace and
remove a pipeline and appurtenant facilities across, under and
upon the lands of GRANTOR in the County of Travis, State of Texas,
to-wit:

19.89 acres of land, more or less, located and situated
in Travis County, Texas, out of the James Burleson League,
Abstract No. 4, and being more particularly described in
that certain deed dated August 13, 1913, from J. L. Costley,
et ux, to J. D. Smith, recorded in Volume 258, Page 166,
Deed Records, Travis County, Texas.

The right-of-way and easement hereby conveyed is more par-
ticularly described as follows:

- (a) A temporary right-of-way and easement during the
period of time required to construct and install
said pipeline sixty (60) feet in width crossing
the above described property, said temporary right-
of-way and easement extending thirty (30) feet on
each side of the following centerline description:

BEGINNING at a point on the south fence line of the
said Smith tract 55 feet easterly from the southwest
corner of the said Smith tract and at a point 42 feet
east of an existing United Gas Company pipe line;
THENCE N. 26° 25' E., 518 feet to point of
termination in the north fence line of the said
Smith tract at a point 61 feet easterly from the
point of intersection of the north and west fence
lines of the said Smith tract.

- (b) A permanent right-of-way and easement after the con-
struction and installation of said pipeline ten (10)
feet in width extending five (5) feet on either side
of the pipeline as constructed and installed in and
on the above described right-of-way and easement.

The GRANTEE shall have all of the rights and benefits nec-
essary or convenient for the full enjoyment or use of the rights

herein granted, including but without limiting the same to the free right of ingress to and egress over and across said lands to and from said right-of-way and easement, and the right from time to time to cut all trees, undergrowth and other obstructions, that may injure, endanger or interfere with the use of said pipeline. The GRANTEE shall have the right to assign this grant in whole or in part.

TO HAVE AND TO HOLD to GRANTEE, its successors and assigns, so long as the rights and easements herein granted, or any one of them shall be used by, or useful to, GRANTEE for the purposes herein granted, with ingress to and egress from the premises for the purpose of constructing, inspecting, repairing, maintaining, replacing and removing the property of GRANTEE herein described; and the undersigned hereby bind themselves, their heirs, executors and administrators (and successors and assigns) to warrant and forever defend all and singular said premises unto the GRANTEE, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

The GRANTEE agrees to bury all pipe below normal plow depth and to pay for any physical damage to growing crops, timber, fences, or other structural improvements caused by construction, maintenance, operation, repairing, alteration, replacement or removal of said pipelines and appurtenant facilities. The said GRANTOR has a right to fully use and enjoy said premises except as same may be necessary for the purposes herein granted to said GRANTEE.

It is understood that the consideration herein paid does include payment of the initial land surface damages.

It is agreed that this grant covers all the agreements between the parties and that no representation or statements, verbal or written, have been made modifying, adding to, or changing the terms of this Agreement.

IN TESTIMONY WHEREOF, the GRANTORS herein have executed
this conveyance this 18th day of December,
1963.

James Earl Smith
JAMES EARL SMITH

Evelyn Elizabeth Hester
EVELYN ELIZABETH HESTER

C. F. Hester
C. F. HESTER

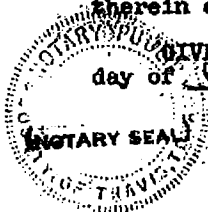
Lillian L. Shepherd
LILLIAN L. SHEPHERD

Marvin D. Shepherd
MARVIN D. SHEPHERD

THE STATE OF TEXAS,
COUNTY OF TRAVIS.

BEFORE ME, the undersigned authority, a Notary Public in
and for said County and State, on this day personally appeared
JAMES EARL SMITH, known to me to be the person whose name is
subscribed to the foregoing instrument, and acknowledged to me
that he executed the same for the purposes and consideration
therein expressed.

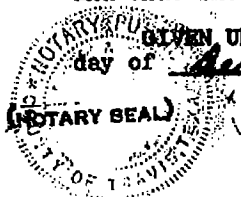
GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 18th
day of December, 1963.



Dallas Jacobson
Notary Public in and for Travis
County, Texas.

THE STATE OF TEXAS, |
COUNTY OF TRAVIS. |

BEFORE ME, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared C. F. HESTER, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed; also before me on this day personally appeared EVELYN ELIZABETH HESTER, wife of C. F. HESTER, known to me to be the person whose name is subscribed to the foregoing instrument, and having been examined by me privily and apart from her husband, and having the same fully explained to her, she, the said EVELYN ELIZABETH HESTER, acknowledged such instrument to be her act and deed, and declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract it.



GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 18th day of December, 1969.

Laura Bryant
Notary Public in and for Travis
County, Texas.

THE STATE OF TEXAS, |
COUNTY OF TRAVIS. |

BEFORE ME, the undersigned authority, on this day personally appeared MARVIN D. SHEPHERD, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed; also before me on this day personally appeared LILLIAN L. SHEPHERD, wife of MARVIN D. SHEPHERD, known to me to be the person whose name is subscribed to the foregoing instrument, and having been examined by me privily and apart from her husband, and having the same fully explained to her, she, the said LILLIAN L. SHEPHERD, acknowledged such instrument to be her act and deed, and declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract it.



GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 18th day of December, 1969.

Laura Bryant
Notary Public in and for Travis
County, Texas.

DEED RECORDS
Travis County, Texas

VOL. 2725 PAGE 43

FEB 11 10 55 AM '64

FILED
FEB 11 1964
COUNTY CLERK
TRAVIS COUNTY TEXAS

STATE OF TEXAS
COUNTY OF TRAVIS

I hereby certify that this instrument was FILED on the
date and at the time stamped hereon by me; and was duly
RECORDED, in the Volume and Page of the record RECORDS
of Travis County, Texas, as Stamped hereon by me, on

FEB 13 1964



Emilia Limburg
COUNTY CLERK,
TRAVIS COUNTY, TEXAS

DEED RECORDS
Travis County, Texas

VOL 2725 PAGE 44

