

DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR
TALL TIMBERS TOWNHOUSES

3657

THIS DECLARATION, made this 15th day of July, 1980, by LLAGUNO CORP., a Texas corporation, acting by and through its duly authorized officer, hereinafter declared "Declarant;"

W I T N E S S E T H:

WHEREAS, Declarant is the owner of certain property in Llano County, Texas, known as and being Tall Timbers Townhouses, including therewith all of the designated lots therein, in Horseshoe Bay, a subdivision located in Llano County, Texas, according to Plat No. 15.8, recorded in Volume 3, Page 95, of the Plat Records of Llano County, Texas; and

WHEREAS, Declarant desires to create thereon a residential community with permanent greenbelts, parking, and open spaces, and other common facilities for the benefit of the said community; and

WHEREAS, Declarant desires to provide for the preservation of the values and amenities in said community and for the maintenance of said common facilities; and to this end desires to subject the property herein described to the covenants, restrictions, easements, charges and liens, hereinafter set forth, each and all of which is and are for the benefit of said property and each other thereof; and

264 WHEREAS, Declarant has deemed it desirable, for the efficient preservation of the values and amenities in said community, to create a Townhouse Owners Association to which should be delegated and assigned the powers of maintaining, administering and enforcing the covenants and restrictions and collecting and disbursing the assessments and charges hereinafter created;

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

ARTICLE I

DEFINITIONS

1. "Association" shall mean and refer to 15052 Property Owners Association, Inc., a Texas non-profit corporation, its successors and assigns.

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

3. "Property" shall mean and refer to all of Tall Timbers Townhouses, including all of the designated lots therein, in Horseshoe Bay, a subdivision located in Llano County, Texas, according to Plat No. 15.8, recorded in Volume 3, Page 95, of the Plat Records of Llano County, Texas.

4. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners. The Common Area to be owned by the Association at the time of the conveyance of the first Lot is described as follows:

All Common Areas including parking, greenbelts, roadways and being designated "Common Area," Lot 15052-E, as shown on Plat No. 15.8, recorded in Volume 3, Page 95, of the Plat Records of Llano County, Texas.

5. "Lot" shall mean and refer to any of the lettered Lots shown upon the recorded subdivision map or the Property.

6. "Declarant" shall mean and refer to Llaguno Corp., a Texas corporation, its successors and assigns.

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

ARTICLE II

PROPERTY RIGHTS IN THE COMMON AREAS

1. Owner's Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot. Owners' use of the Common Area and their Lots are subject to the provisions of the Articles herein regarding Lot Restrictions and all other applicable Articles herein.

2. Delegation of Use. Any Owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or 265 contract purchasers who reside on the property.

3. Right of Enjoyment. An Owner's right of enjoyment of the Common Area shall be subject to the following provisions:

(a) the right of the Association to suspend the voting rights of a Member for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations;

(b) the right of the Association to dedicate, sell or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless an instrument signed by fifty-one percent (51%) of each class of Members agreeing to such dedication, sale or transfer has been recorded;

(c) the right of the Association, in accordance with its Articles of Incorporation and By-Laws, to borrow money for the purpose of improving the Common Area and facilities and in aid thereof to mortgage said Common Area;

(d) the right of the Board of Directors to adopt and enforce rules and regulations regarding the use of the Common Area.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

1. Membership in Townhouse Owners Association. Every Owner of a Lot which is subject to assessment shall be a Member of

the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

2. Classes of Membership. The Association shall have two classes of voting membership, which shall be:

Class A: Class A Members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast in person or by proxy with respect to any Lot;

Class B: The Class B Member shall be the Declarant and shall be entitled to three votes for each Lot owned. The Class B Membership shall cease and be converted to Class A Membership when 75% of the Lots shall be sold.

ARTICLE IV

ASSESSMENTS, UTILITIES, AND INSURANCE

1. Creation of the Lien and Personal Obligation of Assessments. The Declarant and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay the Association: (1) monthly assessments of charges, (2) capital improvement assessments, and (3) special assessments for master policy of fire and extended coverage insurance. All assessments are to be established and collected as hereinafter provided. All assessments, together with interest, costs and reasonable attorneys' fees, shall, to the full extent permitted by law, be a charge on the land and a continuing lien upon the property against which each such assessment is made. Such lien shall be superior to any homestead or other exemption provided by law. Each such assessment, together with interest, costs, and reasonable attorneys' fees, shall also be the personal obligation of the person who was the owner of such property at the time when the assessment fell due.

2. Purpose of Monthly Assessments. The monthly assessments levied by the Association shall be used exclusively to promote the health, safety and welfare of the residents in the Property; and for the improvement and maintenance of the Common Area, and of the homes situated upon the Property; and for other purposes consistent with this Declaration.

3. Monthly Assessment. The monthly assessment on the Improved Lots with a completed townhouse, shall be \$ 25.00; however, the Board of Directors may fix the monthly assessment at a lesser amount. The monthly assessment shall commence the next month immediately following the conveyance of a Lot to the Owner. The Board of Directors shall fix the amount of the monthly assessment against each Lot at least thirty (30) days before each January 1st. Written notice of the monthly assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid.

(a) From and after January 1st of the year immediately following the conveyance of the first Lot to an Owner, the maximum monthly assessment may be increased by a vote of fifty-one percent (51%) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

4. Capital Improvement Assessments. In addition to the monthly assessments authorized above, the Association may levy, in any assessment year, a capital improvement assessment applicable to the year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement and personal property related thereto; PROVIDED that any such assessment shall have the assent of fifty-one percent (51%) of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose.

5. Rate of Monthly and Capital Improvement Assessments. Both monthly and capital improvement assessments to all improved Lot Owners shall be made on the basis of the square footage of living floor area contained in an Owner's dwelling. The assessment per square foot shall be uniform for all Owners.

6. Notice and Quorum. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all Members not less than 15 days nor more than 50 days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the 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.

267 7. Nonpayment of Assessments. Any assessment not paid on the date when due, shall be immediately delinquent and shall, together with such interest and costs of collection as is hereinafter provided, immediately become a continuing lien on the property which shall, to the full extent permitted by law, bind such property in the hands of the then Owner, his heirs, devisees, personal representatives, successors and assigns. If the assessment is not paid within thirty (30) days after the due (delinquent) date, the assessment shall bear interest from the due (delinquent) date at the rate of ten percent (10%) per annum, and the Association may either (1) bring an action at law against the Owner personally obligated to pay the same, or (2) foreclose the lien against the property, or (3) both, and, in either event, there shall be added to the amount of such assessment interest as provided and all costs of collection, including reasonable attorneys' fees. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

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

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

(a) all property dedicated and accepted by any local governmental authority and devoted to public use;

(b) all Common Area as defined by Article I, Section 4 hereof;

(c) all additional Common Area which may be acquired through annexation.

10. Insurance on Common Area. The Board of Directors of the Association may obtain and continue in effect blanket property insurance to insure the improvements in the Common Area against risks of loss or damage by fire and other hazards as are covered under standard extended coverage against vandalism.

The Board of Directors of the Association shall obtain comprehensive public liability insurance in such limits as it shall deem desirable, insuring the Association, its Board of Directors, agents and employees, and each Owner, from and against liability in connection with the Common Area.

11. Insurance on Dwellings. Each Owner shall be responsible at his own expense and cost for fire and extended coverage insurance on his dwelling and for his own personal insurance on contents of his own residence, and his personal property stored elsewhere on the Property; and for his personal liability not covered by liability insurance for all Owners obtained as a part of the common expense.

ARTICLE V

PARTY WALLS

68 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the homes upon the Property and placed on the dividing line between the Lots shall constitute a Party Wall, and to the extent not inconsistent with the provisions of this Article, the general rules of law regarding Party Walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a Party Wall shall be shared by the Owners who make use of the wall in proportion to such use.

3. Destruction by Fire or Other Casualty. If a Party Wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use of the wall without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

4. Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act causes the Party Wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

5. Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

ARTICLE VI

ARCHITECTURAL CONTROL

1. Review by Committee. No structure, whether residence, accessory building, swimming pool, antennae (on a structure or on a Lot), flag poles, fences, walls, house numbers, mailboxes, exterior lighting, patios, roof overhangs, sidewalks, stepping stones, or other improvements of any kind, shall be constructed or maintained upon any Lot and no alteration or repainting to the exterior of a structure shall be made and no landscaping performed unless complete plans, specifications, and Lot plans therefor, showing the exterior design, height, building material and color scheme thereof, the location of the structure plotted horizontally and vertically, the location of driveways, the general plan of landscaping, fencing, walls, and the grading plan shall have been submitted to and approved in writing by the Architectural Control Committee, and a copy of such plans, specifications and Lot plans as finally approved, deposited with the Architectural Control Committee.

2. Conformity. The Architectural Control Committee shall exercise its best judgment to see that all improvements, construction, landscaping and alterations on lands within the Property conform to and harmonize with the existing surroundings and structures.

3. Procedures. The Architectural Control Committee shall approve or disapprove all plans and requests within thirty (30) days after submission. In the event the Architectural Control Committee fails to take any action within thirty (30) days after requests have been submitted, approval will be presumed, and this Article will be deemed to have been fully complied with.

269 4. Written Records. The Architectural Control Committee shall maintain written records of all applications submitted to it and of all actions taken.

5. Majority Vote. A majority vote of the Architectural Control Committee is required for approval of proposed improvements.

6. Non-liability. The Architectural Control Committee shall not be liable in damages to any person submitting requests for approval or to any Owner within the Property by reason of any action, failure to act, approval, disapproval, or failure to approve or disapprove any such requests.

7. Members. The Architectural Control Committee shall consist of three members designated by the Declarant until the Property is developed in its entirety. Upon the completion of the development of the Property, the members of the Committee shall be designated by the Association.

ARTICLE VII

GENERAL PROVISIONS

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 and hereafter imposed by the provisions of this Declaration; and to recover reasonable attorneys' fees and other expenses incurred in such enforcement. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of right to do so thereafter.

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

3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the terms hereof or during extension periods by an instrument signed by not less than three-fourths (3/4) of the Lot Owners. To be valid, any such amendment must be recorded.

4. By-Laws and Regulations. All Owners agree to abide by the By-Laws of the Property Owners Association, and the Rules and Regulations promulgated by the Board of Directors pursuant to the By-Laws.

5. Annexation. Additional residential property and Common Area may be annexed to the Property by the Declarant without necessity of consent of the other Members or Owners.

ARTICLE VIII

LIABILITY OF BOARD OF DIRECTORS

270 The members of the Board of Directors and officers of the Association shall not be liable to any Owner or any person claiming by or through any Owner for any act or omission of such Director or officer in the performance of his duties except if such act or omission shall involve gross negligence, bad faith or reckless disregard of his duties, and the Association shall have the power to indemnify all such Directors and officers from all claims, demands, actions and proceeds and any expenses in connection therewith, except if such Director or officer be judicially declared to have acted in a grossly negligent manner, with bad faith, or in reckless disregard of his duties.

ARTICLE IX

DEVIATIONS

The Association may grant approval for deviations from the restrictions provided in Article XI, so long as such deviations are generally consistent and harmonious with the remainder of the community and do not adversely affect the value of another Lot. Such approval shall require the affirmative vote of holders of three-fourths (3/4) of the memberships voting at a meeting duly called for this purpose, written notice of which shall be delivered to all Members not less than ten (10) days nor more than fifty (50) days before the date of the meeting, setting forth the purposes of the meeting.

ARTICLE X

UTILITY SERVICES AND EASEMENTS

1. Construction Easements. Each Lot and the Property included in the Common Area shall be subject to an easement for encroachments created by construction, settling and overhangs. A valid easement for said encroachments and for the maintenance of same, so long as it stands, shall and does exist. In the event a structure is partially or totally destroyed, and then rebuilt, the Owners so affected agree that minor encroachments of parts of

the adjacent residential units on Common Areas due to construction shall be permitted and that a valid easement for said encroachment and the maintenance thereof shall exist. Declarant reserves the right, in order to facilitate construction and to avoid monotony of design, to extend front or back walls of homes and overhangs into adjoining Common Areas; and a valid permanent easement for each such encroachment and for the maintenance of same, and for the repair or rebuilding of such encroaching wall in the event of partial or total damage or destruction thereof, shall and does exist, and shall continue; and conveyance of the Lot upon which any such home is erected shall, without specific mention thereof, serve as a conveyance of the easement for such encroachment.

271 2. Utility and Emergency Easements. There is hereby created a blanket easement upon, across, over and under all Common Areas for ingress, egress, installation, replacing, repairing and maintaining all utilities, including but not limited to water, sewers, telephones, TV cable, and electricity. An easement is further granted to all police, fire protection, ambulance, garbage and trash collector pick-up vehicles and all similar persons to enter upon the Common Area in the performance of their duties. Further, an easement is hereby granted to the Association, its officers, agents, employees, and to any management company selected by the Association to enter in or to cross over the Common Area and any Lot to perform the duties of maintenance and repair of the residence or Common Area provided for herein. No sewers, electrical lines, water lines, or other utilities may be installed or relocated on the Property except as initially programmed and approved by the Declarant or thereafter approved by Declarant or the Association's Board of Directors. Should any utility furnishing a service covered by the general easement herein provided request a specific easement by separate recordable document, Declarant shall have the right to grant such easement on said Property without conflicting with the terms hereof.

3. Underground Utility Services.

(a) Underground Electric Service. An underground electric distribution system will be installed to all Lots. The Owner of each Lot shall furnish, install, and maintain (all in accordance with the requirements of local governing authorities) the service lines within Owner's dwelling and Owner's meter loop. The Pedernales Electric Co-op shall own and maintain the underground and electric distribution system up to the meter loop.

(b) Underground Telephone Service. Telephone service by underground conduit shall be available to each Lot. All service wires outside the dwelling structure shall be installed, owned, and maintained by the telephone company. All wires within the dwelling shall be owned and maintained by the Owner.

(c) Water Service. Water service shall be provided to each Lot by way of an underground water distribution system, owned by the Association and connected by means of master meters to the Utility District mains. The distribution system between the Utility District mains and where the water pipe penetrates the exterior wall of each dwelling structure shall be the property of the Association and shall be operated and maintained by the Association.

(d) Sanitary Sewer System. Sanitary sewer service shall be provided to each Lot by means of an underground sanitary sewer system. The Utility District shall own and maintain the sewer mains up to the Property. The Association shall own and maintain all sewer collector lines on the property and the injector pump. The Association shall also own the individual sewer service lines

from the Lot lines to the point of connection with the collector lines; however, each Owner shall be responsible for maintenance and repair of individual service line serving his dwelling. Owner shall also be responsible for restoration of the Common Area necessitated by repair or maintenance of such individual sewer service line.

(e) Use of Easements. Easements for underground utility services may be crossed by driveways, walkways, and other Common Area improvements, provided that prior arrangements are made therefor between the Declarant and the utility furnishing the service.

ARTICLE XI

MAINTENANCE AND REPAIRS

1. Maintenance by the Association. The Association shall provide all maintenance upon the Common Area.

In the event that the need for Common Area maintenance or repair is caused through the willful or negligent act of the Owner, his family, guests, or invitees, the cost of such maintenance or repairs shall be added to and become a part of the assessment to which such Lot is subject.

2. Maintenance by Owner. The Owner shall maintain and keep in repair the following: all exterior maintenance upon each Lot including care for roofs, gutters and downspouts, if any, exterior building surfaces, fences, trees, shrubs, grass, landscaping, walks, glass surfaces, window and door fixtures, light fixtures, air-conditioning equipment, sewer line connecting the residence to the sewer collection system; electric power service conductors from the exterior of the building to the point of connecting to the utility company's electric service lines; electric circuit breakers, and other utilities that the utility company or the Owner has responsibility to maintain under Article X(3) hereinabove, and such maintenance as may be set forth by the Association.

An Owner shall do no act nor any work that will impair the structural soundness or integrity of another residence or impair any easement. Nor shall Owner do any act nor allow any condition to exist which will adversely affect the other residences or their Owners.

In the event an Owner is responsible for certain exterior maintenance as set forth above or in the Rules and Regulations of the Association and such Owner shall fail to maintain the premises in a manner satisfactory to the Board of Directors, the Association (upon approval by three-fourths vote of the Board of Directors) shall have the right, through its agents and employees, to enter upon said Lot and to repair, maintain, and restore the Lot and any improvements erected thereon. The cost of such exterior maintenance shall be added to and become a part of the assessment to which such Lot is subject.

ARTICLE XII

RESTRICTIONS ON LOTS

The following restrictions are imposed as a common scheme upon each Lot and the Common Area, for the benefit of each other Lot and the Common Area, and may be enforced by any Lot Owner or the Association:

1. Horseshoe Bay Declaration of Reservations. All of the Lots and the Common Area shall be subject to the terms, conditions, reservations and restrictions set out on the Plat hereinabove described and in that certain instrument dated July 5, 1971 entitled "Declaration of Reservations," recorded in Vol. 177, pages 280, et seq., of the Deed Records of Llano County, Texas, and that certain instrument dated November 22, 1971, entitled "Supplement and Amendment to Declaration of Reservations" recorded in Vol. 180, pages 725, et seq., of the Deed Records of Llano County, Texas, and that certain instrument dated February 20, 1974, entitled "Second Amendment to Declaration of Reservations" recorded in Vol. 194, pages 442, et seq., of the Deed Records of Llano County, Texas, and that certain instrument dated December 3, 1975, entitled "Third Amendment to Declaration of Reservations" recorded in Vol. 207, pages 50, et seq., of the Deed Records of Llano County, Texas.

2. Residential Use. No lot shall be used for other than single-family, residential purposes.

3. Temporary Structures. No used or previously erected or temporary house, structure, house trailer, structure designed as a mobile home, or any other nonpermanent outbuilding shall ever be placed, erected, or allowed to remain on the Property except during the construction period.

4. Trucks and Commercial Vehicles. Trucks and commercial vehicles shall not be allowed to remain on the Property; however, this restriction shall not restrict trucks or commercial vehicles making pickups or deliveries to or in the Property, nor shall this restriction restrict trucks or commercial vehicles which are necessary for construction or maintenance of the Property.

272 5. Storage of Personal Property. Motorcycles and bicycles must be stored within the Owner's property. All other personal property of every kind must be stored inside the dwelling. Nothing may be stored in the Common Area without the prior written consent of the Board of Directors.

6. Refuse Disposal. No garbage refuse, rubbish, or cuttings shall be deposited on any street, road, or the Common Area, nor on any Lot unless placed in a suitable container and in a location designated by the Board of Directors therefor.

7. Clothes Lines. No clothes lines, drying yards, service yards, or storage areas shall be located so as to be visible from a street, road, or any Common Area.

8. House Pets. No animals or poultry shall be kept within the Property except for ordinary household pets belonging to the Owner or Owners; provided, however, that such pets shall be kept within the confines of the Owner's Lot or on a leash when outside. All Owners shall abide by all other Board of Directors' rules for walking, exercising, and keeping pets on the Property.

9. Nuisance. The Owner of any Lot shall not use or allow the use of such Lot or any building or structure thereon for any purpose which will be noxious, offensive or detrimental to the use of the other Lots or which will create or emit any objectional, offensive or noxious odors, dust, gases, fumes or other such material or which will in any manner violate any zoning or other regulations or laws of the Horseshoe Bay Subdivision, of the State of Texas, or of the United States. No Lot shall be used for other than single-family, residential purposes.

10. Annoyance. No activity shall be carried on upon any Lot or the Common Area which might reasonably be considered as giving annoyance to neighbors of ordinary sensibilities and

which might be calculated to reduce the desirability of the Property as a residential neighborhood, even though such activity may be in the nature of a hobby and not carried on for profit.

11. Signs. There shall be no "garage" sales on the Property. No business signs or any other kind of signs whatsoever may be placed on Lots or in the Common Area, patio areas, or on the outside of a dwelling. "For Sale" signs, "For Rent" signs, and all other similar signs are expressly prohibited and may not be exhibited in the Owner's window or in any other manner. Provided, however, "For Sale" signs may be exhibited by Declarant, in the Common Area adjacent to a townhouse structure.

12. Non-Discrimination. No action shall at any time be taken by the Association or its Board of Directors which in any manner would discriminate against any Owner or Owners in favor of the other Owners.

13. Insurance Hazard. Nothing shall be done on any Lot or on the Common Area which will result in the increase of fire or casualty insurance premiums thereon or the cancellation of such insurance.

14. Common Area. No planting or gardening shall be done by Owner in the Common Area, except in the individual areas appurtenant to a residence. All planting, installation, maintenance, upkeep and repairs of the Common Area shall be the responsibility of the Association.

15. Leasing. An Owner may lease or rent his Lot and dwelling thereon; however, Owner must receive from the Board of Directors prior written approval of the lessee or of a rental agent before renting or leasing, and such approval may not be unreasonably withheld.

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16. Maintenance. Each Owner shall be responsible for maintenance and repair according to the terms of Article XI herein, regarding "Maintenance and Repair."

ARTICLE XIII

NOTICES

All notices given or required to be given by the Association or the Board of Directors to Association Members shall be deemed to have actually been given if actually received and, whether or not actually received, when deposited in the United States Mail, postage prepaid, and addressed to the Member at his address as it appears on the books of the Association, and shall be deemed given when mailed.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein has hereto set its hand and seal this 15th day of July, 1980.

LLAGUNO CORP., Declarant

By: 

Frank Crockett, Vice President

THE STATE OF TEXAS X

COUNTY OF BURNET X

BEFORE ME, the undersigned authority, on this day personally appeared FRANK CROCKETT, Vice President of LLAGUNO CORP., a Texas corporation, 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, in the capacity therein stated and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 24 day of July, 1980.

Natha L. Smith

Notary Public in and for Burnet County, Texas.



NATHA L. Smith

(Printed or typed name of Notary Public)

My commission expires: 5/30/84

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Filed for Record the 24 day of Sept., 1980 at 1:15 o'clock P. M.

Recorded the 29 day of Sept., 1980 at 11:05 o'clock P. M.

H. A. Raesener, County Clerk, Llano County, Texas

By L. Woodlee Patton Deputy