DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

THE VALLEY AT LOST CREEK

THIS DECLARATION, made this _____ day of ________, A.D. 1976, by

VACKAR INTERESTS INC. hereinafter called "Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in Travis County,
Texas, which is described as The Valley at Lost Creek - Phase One, as shown
by map or plat of record in Book hu Page 312 Plat Records of Travis County,
Texas.

Declarant hereby declares that all of the properties 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 properties
or any part thereof, their heirs, successors and assigns, and shall inure to
the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to THE VALLEY AT LOST CREEK

HOME OWNER'S ASSOCIATION, its successors and assigns.

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

Section 3. "Properties" shall mean and refer to that certain real property
hereinbefore described, and such annexations and additions thereto as may be
brought within the jurisdiction of the Association.

Section 4. "Common Areas" shall mean and refer to all real property
areas by the Association for the common use and enjoyment of the Owners. The Common

DEED RECORDS
Travis County, Texas

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Area to be owned by the Association at the time of the conversion of the first
Lot is described as follows:

All of that land described in the first paragraph of this
instrument; SAVE AND EXCEPT all residential lots.

Section 5. "Lot" shall mean and refer to any plot of land shown upon
any recorded subdivision map of the properties with the exception of the
Common Area.

Section 6. "Declarant" shall mean and refer to VACVAR INTERESTS, Inc.,
its successors and assigns if such successors and assigns should acquire more
than one undeveloped Lot from Declarant for the purpose of development.

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

ARTICLE II
PROPERTY RIGHTS IN THE COMMON AREA

Section 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, subject to the
following provisions:

(a) the right of the Association to limit the number of guests of members;
(b) the right of the Association to suspend the voting rights and right
to use of the recreational facilities by 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;
(c) 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 two-thirds (2/3) of the members agreeing to such dedication, sale or transfer
has been recorded;

(d) 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 any manner to encumber said Common Properties and
the rights of such mortgages in said Common Properties shall be subordinate to
the rights of the home owners hereunder. No such action shall be effective unless
an instrument signed by two-thirds (2/3) of the class of owners proposing to such action has been recorded.

Section 2. Any owner may delegate, in accordance with the by-laws, his right of enjoyment to the common area and facilities to the owner or his family, his tenants, or contract purchasers who reside on the property.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

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

Section 2. The Association shall have one class of voting membership, which shall be each owner who will have one vote; provided, however, the Declarant shall be entitled to three votes for each lot owned by Declarant 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 with respect to any one lot (except those lots owned by Declarant, which will be entitled to three votes per lot).

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments.

The Declarant, for each lot owned within the Properties, except those exempt under Section 10 of this Article, hereby covenants, 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 to the Association: (1) monthly assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The monthly and special assessments, together with interest, costs, and reasonable attorney's 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. Each such assessment, together with interest, costs, and reasonable attorney's 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.

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

Section 3. Maximum Monthly Assessment. Until January 1 of the year immediately following the conveyance of the first lot to an Owner, the maximum monthly assessment shall be $30.00 per lot per month.

(a) From and after January 1 of the year immediately following the conveyance of the first lot to an Owner, the maximum monthly assessment may be increased each year not more than ten percent (10%) above the maximum assessment for the previous year without a vote of the membership.

(b) From and after January 1 of the year immediately following the conveyance of the first lot to an Owner, the maximum monthly assessment may be increased above ten percent (10%) by a vote of two-thirds (2/3) of the members who are voting in person or by proxy, at a meeting duly called for this purpose.

(c) The Board of Directors may fix the monthly assessment at an amount not in excess of the maximum.

Section 4. Special Assessments for Capital Improvements. In addition to the monthly assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto; PROVIDED that any such assessment shall have the consent of two-thirds (2/3) of the votes of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Uniform Rate of Assessment. Both monthly and special assessments must be fixed at a uniform rate for all lots, provided that, the monthly rate for lots which are not more than 60 days past due shall be fixed at a rate equal to the assessment rate for the lots owned by Declarant, but shall be fixed at one-third (1/3) the assessment rate for the other lots.

Section 6. Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any
section authorized under Section 3 or 4 shall be sent to all members not less than 15 days nor more than 30 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 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 subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 7. Date of Commencement of Monthly Assessments. The monthly assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Common Area, and shall continue for each of the months remaining in the calendar year. 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.

Section 8. Effect of Nonpayment of Assessments; Remedies of the Association. Any assessment not paid on the date when due, shall be immediately delinquent and shall, together with an interest and cost of collection as is hereinafter provided, immediately become a continuing lien on the property which shall, to the full extent permitted by law, bind such property in the hands of the then owner, his heirs, devisees, personal 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 in the act of Congress entitled, An Act to authorize and provide for the assessment of special taxes...

No owner may waive or otherwise escape liability for the assessments provided for herein for non-use of the Common Area or abandonment of his Lot.
Section 9. Subordination of the First Liens. In lieu of the assessments provided for herein shall be subordinated to the lien of any and all first lien indebtedness. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to foreclosure or any proceedings in lien thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof. No extinguishment of the lien shall relieve the delinquent Lot Owner from his personal obligation and liability therefor.

Section 10. Exempt Property. The following property subject to this Declaration shall be exempt from the assessments, charges and liens created herein:

(a) all properties dedicated and accepted by any local governmental authority and devoted to public use;
(b) all Common Area as defined in Article I, Section 4 hereof;
(c) all additional Common Area which may be acquired through annexation;
(d) all Lots owned by Declarant, such exemption to terminate upon the sale by Declarant of such Lot, or upon completion of structure. (See Sec. 5.)

ARTICLE V

PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the homes upon the Properties 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.

Section 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.

SECTION 21. Construction 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 require it, and if the owner shall neglect to do so, they shall contribute to the cost of restoration that is incurred in use of the wall without prejudice, however, to the right to, or call for a larger contribution from the other, under no event shall liability for negligent or willful acts or omissions.

Section 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.

Section 5. Right to Contribution Run 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 the successors in title.

Section 6. Arbitration. In the event of any dispute arising concerning a Party Wall, or under the provisions of this Article, each party shall choose one arbitrator, and the decision shall be by a majority of the arbitrators and shall be binding on all parties to the dispute.

ARTICLE VI
ARCHITECTURAL CONTROL

Section 1. Review by Committee. No structure, whether residence, accessory building, tennis court, swimming pool, antenna (on a structure or on a lot), flag poles, fences, walls, house numbers, mail boxes, exterior lighting, or other improvements, shall be constructed and maintained upon any lot and no alteration or repainting to the exterior of a structure shall be made unless complete plans, specifications, and Lot plans thereof, showing the exterior design, height, building material, and color scheme thereof, the location of the structure plotted horizontally and vertically, the location of driveways, lancing, 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.

Section 2. The Architectural Control Committee shall exercise its best judgment to see that all improvements, construction, landscaping and
alterations on land within its Properties or the exterior of any existing surrounding buildings.

Section 6. Procedures. The Architectural Control Committee shall approve or disapprove all plans and requests within thirty (30) days after submission. If the Committee fails to render a decision 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.

Section 7. The Architectural Control Committee shall maintain written records of all applications submitted to it and all actions taken.

Section 8. A majority vote of the Architectural Control Committee is required for approval of proposed improvements.

Section 9. The Architectural Control Committee shall not be liable for damages to any person submitting requests for approval or to any Owner within the Properties by reason of any action, failure to act, approval, disapproval, or failure to approve or disapprove any such requests.

Section 7. Members. The Architectural Control Committee shall consist of three (3) members designated by the Declarant until the first meeting of the Board of Directors following the first annual meeting of the Association. At such first meeting, the Board of Directors shall appoint three (3) persons who shall serve as the Architectural Control Committee.

ARTICLE VII

EXTERIOR MAINTENANCE

Section 1. Each lot owner will maintain the exterior of all improvements erected on such lots, such exterior to be maintained in good order to prevent damage and to maintain the best aesthetic appearance. In the event any lot owner fails to properly maintain the exterior, the Association may (but is not obligated to) make such repairs, repainting or replacement that is necessary and assess the costs thereof to the lot owner in addition to all other assessments. Notice of the Association's intention to undertake such maintenance will be given to the lot owner at least 20 days prior to the commencement thereof.

Section 2. The Association will maintain all landscaping on the front of units facing the private street.

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Section 1. The following restrictions are imposed in a scheme upon each Lot and all Common Areas for the benefit of each Lot and Common Areas, and may be enforced by any Lot Owner for the Association.

Section 2. No garbage, refuse, rubbish, or cuttings shall be deposited on any Street, Road, or Common Areas, nor on any Lot unless placed in a suitable container and in a location designated therefor.

Section 3. No building material of any kind or character shall be placed upon any Lot except in connection with construction activity as hereinafter provided. As soon as building materials are placed upon any Lot in connection, construction shall be promptly commenced and diligently pursued to conclusion.

Section 4. No clothes lines, drying racks, or storage areas shall be located so as to be visible from a Street, Road, or any Common Area.

Section 5. No animals or poultry shall be kept within the Properties 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, and shall not be kept or used for commercial purposes.

Section 6. No used or previously erected or temporary house, structure, house trailer, structure designed as a mobile home, or any other non-permanent out building shall ever be placed, erected or allowed to remain on the Properties except during the construction period.

Section 7. Bows, trailers, and campers shall be parked only in an area specifically designated therefor by the Association.

Section 8. Trucks and commercial vehicles shall not be allowed to remain on the Properties; however, this restriction shall not restrict trucks or commercial vehicles making pickups or deliveries to or in the Properties, nor shall this restriction restrict trucks or commercial vehicles which are necessary for construction or maintenance of the Properties.
Section 1. Covenant. The Association, by this Declaration, grants to each Owner the right to enforce, by any proceeding at law or in equity, any restrictive conditions, covenants, reservations, liens and charges, as the same may be specified by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

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

Section 3. Duration. The covenants and restrictions of this Declaration shall run with and bind the land for a term of three (30) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. During the first term, (30) years from the date of recording hereof, this Declaration may be amended by an instrument signed by eighty percent (80%) of the then Owners of the Lots, and thereafter, by an instrument signed by not less than two-thirds (2/3) of the Lot Owners. To be valid, any such amendment must be recorded.

Section 4. Annexation of Additional Areas. If the Declarant shall develop additional lands adjacent to the property described herein, such additional lands may be annexed to said properties by the Declarant without the consent of Owners, provided, however, that nothing herein shall be construed to require Declarant to annex additional lands.

WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set his hand and seal this 29th day of March, 1977.

WALTER VACCA, PRESIDENT
THE STATE OF TEXAS

COUNTY OF TRAVIS

1-7-3-4727

Before me, the undersigned authority, on this day, personally appeared
WALTER VACKAR, President of VACKAR INTERESTS INC, known to me to be the party
and officer whose name is subscribed to the foregoing instrument, and acknowledged
me that he executed the same for the purpose and consideration therein
expressed, and in the capacity therein stated.

Given under my hand and seal of office, this the 29th day of March
1978.

NOTARY SEAL

[Signature]

O. H. REED

[Notary Public in and for Travis County, Texas]

[Seal]

STATE OF TEXAS
COUNTY OF TRAVIS

I, KRIS KLEIN, Judge, do hereby certify that the above instrument was filed on the
date and in the manner and form set forth therein and was duly
recorded in the Volume and Page of the Official RECORDS
of Travis County, Texas, as Document Number 6169, on May 16, 1978.

MAY 16, 1978

[Signature]

Kris Klein
Judge

COUNTY CLERK
TRAVIS COUNTY, TEXAS

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