

Section 5. "Lot" shall mean any plot of land shown on the recorded Subdivision map referred to above with the exception of the lots which are part of the common areas. A copy of the plat of the Subdivision is attached hereto as Exhibit A.

Section 6. "Maintenance" shall mean the exercise of reasonable care to keep buildings, roads, landscaping, lighting and other related improvements and fixtures in a condition comparable to their original condition, normal wear and tear excepted. Maintenance of landscaping shall further include the exercise of generally accepted garden management practices necessary to promote a healthy, weed-free environment for optimum plant growth.

Section 7. "Member" shall mean every person or entity who holds membership in the Association as defined in Article II below.

Section 8. "Mortgage" shall mean a mortgage or deed of trust.

Section 9. "Mortgagee" shall mean a holder of a mortgage or a beneficiary under or holder of a deed of trust.

Section 10. "Owner" shall mean the record owner, whether one or more persons or entities, of any lot which is a part of the subdivision and shall include contract sellers, but shall not include those holding title merely as security for performance of an obligation.

ARTICLE II. MEMBERSHIP IN THE ASSOCIATION, VOTING RIGHTS.

Section 1. Every owner of a lot shall be a member of the Association; membership shall be appurtenant to and may not be separated from the ownership of a lot.

Section 2. Members shall be entitled to one vote for each lot owner. When more than one person or entity owns an interest in a given lot, all such persons or entities shall be members and the vote for such lot shall be exercised as they may determine among themselves. In no event shall more than one vote be cast with respect to any single lot. However, at any time that a Member is delinquent in payment of any amount due the association, such Member's voting rights as a Member shall automatically be suspended for the duration of the delinquency, and such Member shall not be counted toward a quorum requirement or other required percentage approval of Members. For example, if a 2/3 vote of Members is necessary in a vote, if there are 50 total Members and 20 are delinquent, 20 votes (all coming from Members current on payments due) must be obtained to reach the 2/3 requirement. Furthermore, at any time that a Member should fail to vote or should positively abstain from a vote within sixty (60) days of the date the vote request was initially delivered, where two (2) written requests to vote have been delivered in said 60 day period, such Member shall not be counted toward a quorum requirement or other required percentage approval of Members.

Section 3. A five (5) member Board of Directors shall be elected by a majority vote of the members at the regular annual meetings of the Association. Each Director will serve

for a period of two (2) years. Three (3) Directors shall be elected in even numbered years and two (2) Directors shall be elected in odd numbered years. The Board of Directors will be charged with conducting the business of the Association in accordance with these restrictions, the Articles of Incorporation of the Association, and its bylaws.

ARTICLE III. ASSESSMENTS

Section 1. Lien and personal obligation of assessments. Each owner of a lot hereby covenants for each lot within the Subdivision, and each subsequent owner of a lot is hereby deemed to covenant by acceptance of his deed for such lot, whether or not it shall be so expressed in his deed, to pay to the Association (1) annual assessments and (2) special assessments. Such assessments will be established and collected as hereinafter provided. Each such assessment, together with interest, costs, and reasonable attorney's fees shall also be the personal obligation of the persons or entities who owned the lot at the time the assessment fell due, and such assessment, and the aforesaid interest, costs, and reasonable attorneys' fees, and all other amounts due the association under these Restrictive Covenants, the Bylaws, Rules and Regulations, or any other governing document, shall constitute a lien against the property, until the same is paid.

Section 2. Purpose of Annual Assessments. The annual assessment levied by the Association shall be used exclusively to promote the health, safety, welfare, and recreation of the owners and residents of the Subdivision, and for the improvement and maintenance of the common areas and the homes situated within the Subdivision. A copy of the plat of the Subdivision depicting all common areas, streets, marina parking and other areas which are the responsibility of the Association is attached hereto as Exhibit A, and made a part hereof by reference. Annual assessment may include, and the Association may acquire and pay for out of the funds derived from annual assessments, the following:

- (a) Maintenance and repair of the common areas.
- (b) Water, sewer, garbage, electrical, lighting, telephone, gas and other necessary utility service for the common areas.
- (c) Acquisition of the furnishings and equipment for the common areas as may be determined by the Association, including without limitation, all equipment, furnishings and personnel necessary or proper for the use of the recreational facilities.
- (d) Maintenance and repair of storm drains, sanitary sewers, and private streets within the Subdivision.
- (e) Fire insurance covering the full insurable replacement value of the common areas with extended coverage.
- (f) Liability insurance insuring the Association against any and all liability to the public, and to any owner, or to the invitees or tenants of any owner arising out of their occupation and/or use of the common areas. The policy limits shall be set by the

Board of Directors and shall be reviewed annually and increased or decreased at the discretion of the Association.

(g) Workmen's compensation insurance to the extent necessary to comply with applicable law, directors and officers insurance, and any other insurance deemed necessary by the Association.

(h) A standard fidelity bond covering all members of the Board of Directors and officers of the Association and all other employees of the Association in an amount to be determined by the Board of Directors (the board may waive this requirement in its discretion).

(i) Any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations, insurance, taxes or assessments which the Association is required to secure or pay pursuant to the terms of this declaration or by Law, or which shall be necessary or proper in the opinion of the Board of Directors of the Association for the operation of the common areas, for the benefit of the members, or for the enforcement of these restrictions.

(j) In addition to maintenance of the common areas provided for herein, if in the event there is a need for repair to any structure on any lot due to the negligent or willful act of any lot owner (or member of his family, guests, or invitees) and such lot owner fails to repair or commence to repair such condition within 60 days, then, with ten (10) days written notice, the Association may make or cause to make such repairs and any costs incurred by the Association shall become an additional assessment against such lot.

Section 3. Maximum annual assessment. The maximum annual assessment for a lot without a dwelling erected thereon is \$250, and the maximum annual assessment for a lot with a dwelling is \$400, subject to increase or decrease by the Board of Directors of the Association as provided in Article III, Section 6 below.

Section 4. Special assessments. In addition to the annual assessment authorized above, the Association may levy at any time a special assessment for the purpose of defraying in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement on the common areas, including fixtures and personal property related thereto. Any such assessment must likewise be approved by a majority of the votes of the lot owners. In the event that the Association finds it necessary to institute suit against any owner or the occupant of any Lot, or if suit is instituted by any owner or occupant of any Lot against the Association, its officers, directors, volunteers, or employees, whether by way of original action, intervention, cross claim, or counter claim, if the Association, its officers, directors, volunteers, or employees prevail in such suit, then the attorney's fees, expenses of litigation, and costs of court, incurred by the Association shall be a special assessment upon the Lot and the owner whose act or whose occupants caused the Association to institute the suit, or instituted the suit against the Association, its officers, directors, volunteers, or employees and shall be added to the amount of the assessments set

out in this Article III, Section 4, and in Article III, Section I, above and secured by the lien against the Lot.

Section 5. Notice and quorum for action authorized under this Article III, Section 4. Written notice of any meeting for the purpose of taking any action authorized by Section 4 above shall be sent to all members not less than ten (10) nor more than forty-five (45) days in advance of such meeting. A quorum at such meeting shall be a majority of lot owners who are eligible to vote, present in person or by proxy. In order to be effective a special assessment must receive approval of at least a majority of votes cast at such meeting.

Section 6. Uniform rate of assessment. Both annual and special assessments must be fixed at a uniform rate for each of the two categories of lots (i.e. lots with, and without, a residence erected thereon). The Board of Directors of the Association may increase or decrease the amount of the assessments at any time during the year upon 30 days prior written notice to the owners. However, assessments may not be increased more than 20% per year without the approval of a majority of members voting in person or by proxy at an association meeting at which a quorum is present. The board need not raise assessments 20% each year if in its discretion such raise is not warranted, but may accumulate increases (for example, if assessments are \$100 year one, and the board does not raise assessments year two, for year three the board may set assessments at \$144.)

Section 7. Notification and collection of assessments. The annual assessment is payable in advance each year and is due on February 1. Special assessments (if any) will be due in amounts and on a schedule determined by the Association. The Board of Directors of the Association will fix the amount of each assessment, as herein provided, for all lots and notify the property owners at least thirty (30) days in advance of the due date. All funds collected will be placed in the general accounts of the Association to be used as herein provided. The Association shall, on demand and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessment against a specific lot has been paid.

Section 8. Remedies for nonpayment of assessments. Any assessment not paid by the due date shall be deemed in default and shall bear interest and penalties from the due date at rates set from time to time by the Board of Directors. Such rate of interest shall not exceed the maximum provided by Law. The Association may bring an action at law against the owner personally obligated to pay the same and/or may foreclose the lien against the property. Foreclosure may either be judicial or performed in a like manner of a mortgage (pursuant to Texas Property code Section 51.002, as it may be subsequently amended), and the Association is granted a power of sale in conjunction with such action. No owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the common areas or abandonment of his or her lot. At its discretion, the Board of Directors of the Association may cause to be recorded in the office of the County Clerk of Travis County, a list of delinquent assessments as of a particular date. A Member's voting rights are automatically suspended for the duration of any monetary delinquency (see Article II, Section 2).

Section 9. Subordination of assessment lien to mortgages. The assessment lien created herein shall be subordinate to any valid first mortgage.

ARTICLE IV. PROPERTY RIGHTS

Section 1. Owner's easements of enjoyment. Every owner of a lot shall have a right and easement of enjoyment in and to the common areas which shall be appurtenant to and shall pass with title to such lot, subject to the following rights of the Association:

- (a) The right to charge reasonable guest and other fees for the use of any recreational facility situated within the common areas;
- (b) The right to suspend the right of use of recreational facilities and voting rights of any owner for periods during which assessments against his or her lot remain unpaid, and the right, after hearing by the Board of Directors, to suspend such rights for a period not exceeding 180 days for any infraction of the published rules and regulations of the Association;
- (c) The right to dedicate or transfer all or any part of the common areas to any individual, municipality, public agency, authority or utility for such purposes and subject to such conditions as may be agreed upon by the members. No such dedication or transfer shall be effective unless an instrument executed by two-thirds (2/3) of the lot owners agreeing to such dedication or transfer has been duly recorded.

Section 2. Delegation of use. Subject to such limitations as may be imposed by the bylaws, each lot owner may delegate his right of enjoyment in and to the common areas and facilities to the members of his family, his guests, tenants, and invitees.

Section 3. Other easements. Perpetual easements are reserved over and across the lots in the Subdivision for the purpose of installing, repairing and maintaining, or conveying to proper parties so that they may install, repair and maintain electric power, water sewerage, gas, telephone and similar utility facilities and services, for all the lots and properties in the Subdivision as follows:

All easements shown on the recorded plat of the Subdivision are adopted as part of these restrictions; and in instances in which surrounding terrain may necessitate the location of lines outside the precise areas designated as easement areas, access may be had at all reasonable times thereto, for maintenance, repair and replacement purposes without the lot owner being entitled to any compensation or redress by reason of the fact that such maintenance, repair or replacement work has proceeded. The easements reserved and dedicated under the terms and provisions hereof shall be for the general benefit of the Subdivision and shall also inure to the benefit of and may be used by any public or private utility without the necessity of any further grant of such easement rights to such utility.

Section 4. Right of entry. The association, through its duly authorized employees and contractors, shall have the right after reasonable notice to the owner thereof, to enter any lot at any reasonable hour on any day to perform such maintenance as may be authorized herein.

Section 5. No partition. There shall be no judicial partition of the common areas, nor shall any owner or any other person acquiring any interest in the Subdivision or any part thereof, seek judicial partition thereof. However, nothing contained herein shall be construed to prevent judicial partition of any lot owner in co-tenancy.

ARTICLE V. USE RESTRICTIONS

The Subdivision shall be occupied and used only as follows:

Section 1. Use/Roads. (a) None of the lots or the improvements thereon shall be used for anything other than single-family, private residential purposes, except the use of lots for common areas and water system for the Subdivision. If at any time Lot 52 (the property that is at the time of adoption of these Amended Restrictions being used for the water system) is no longer used for the water system purpose, then said property can only be used for a single family residence. No private through road shall be constructed on any lot within the subdivision, except as permitted pursuant to Article VIII.

(b) Conducting any business, trade, or similar activity, or using the home as a corporate retreat for business employees, vendors, or other such persons is prohibited, except that and Owner or occupant residing in a home may conduct business activities which are commonly conducted within residential areas within the home so long as: (1) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the home; (2) the business activity conforms to all zoning requirements for the Property (3) the business activity does not involve visitation of the home by clients, customers, suppliers, or other business invitees or door-to-door solicitation of residents of the Property; and (4) the business activity is consistent with the residential character of the Property and does not constitute a nuisance, or hazardous or offensive use, or threaten the security or safety of other residents of the Property, as may be determined in the sole reasonable discretion of the Board. Leasing or renting less than all of a home is not permitted (boarding houses, renting rooms, etc. is not permitted.) Rentals or leases for less than 30 days are not permitted. Outbuildings (including garage apartments or guest houses) cannot be separately leased.

The Board may waive elements of the restrictions contained in subsection (b) only upon the Board's receipt of a petition or petitions outlining a specific requested waiver bearing the signatures of a 2/3 of the Property Owners.

Section 2. Lot area. No lot shall be resubdivided without the specific approval of the Architectural Control Committee.

Section 3. Architectural Control Committee. An Architectural Control Committee, hereinafter referred to as the Archcom, shall be elected annually by a majority of the Board of Directors of the Association, and shall be composed of a minimum of 3 persons. It shall be

the purpose of such Archcom, in reviewing plans, specifications, and plot plans for the proposed improvements to be made on any lot, to insure for all owners that proposed additions or modifications conform to the requirements contained in these restrictions. When the Archcom receives a request for an improvement or addition to any lot, it must notify all lot owners whose lots lie within 300 feet of the affected lot so those lot owners may have the opportunity to comment on such proposed improvement or modification. The Archcom shall have the right to designate a representative to act for it in all matters arising hereunder.

Section 4. Functions of the Architectural Control Committee. No improvements shall be placed or altered on any lot until the building plans, specifications, and plot plan showing the location of such improvements on the lot have been approved in writing by the Archcom. Any improvement not previously approved may, at the option of the Archcom, be required to be removed at the sole expense of the owner making such improvement. In the event the Archcom disapproves of any such plans, specifications, and/or plot plans, notice of such disapproval shall be by delivery in person or by registered or certified letter, addressed to the party submitting the same at an address which must be supplied with the submission. Any such notice must set forth in detail the elements disapproved, and the reason or reasons therefore, but need not contain suggestions as to methods or curing any matters of things disapproved. Such notice of disapproval must be acknowledged by at least three (3) members of the Archcom. The disapproval of any plans submitted to the Archcom shall at the request of the person submitting such plans be subject to review by the entire Board of Directors provided that such request for such review shall be submitted by such lot owner in writing to the President of the Board of Directors within 30 days of disapproval. Approval by the Archcom shall be valid for a period of one (1) year from the date of notice. The Archcom shall be obligated to approve, disapprove, or respond to the party submitting said plans, specifications, and plot plans within thirty (30) days after receipt of same by said Archcom. Failure of the Archcom to act on any submission within 30 days from date of receipt shall be deemed approval of the plans submitted.

For purposes of this document, "Improvement" is defined as every structure and all appurtenances of every type and kind, whether temporary or permanent in nature, including, but not limited to, buildings, outbuildings, storage sheds, patios, tennis or sport courts, recreational facilities, swimming pools, putting greens, garages, driveways, parking areas and/or facilities, storage buildings, sidewalks, fences, gates, screening walls, retaining walls, stairs, patios, decks, walkways, mailboxes, yard art, poles, signs, antennae, exterior air conditioning equipment or fixtures, exterior lighting fixtures, water softener fixtures or equipment, and poles, pumps, walls, tanks, reservoirs, pipes, lines, meters, antennas, towers and other facilities used in connection with water, sewer, gas, electric, telephone, regular or cable television, or other utilities.

Section 5. Structures.

(a) No dwelling shall be erected on any lot, having a floor area of less than 1,500 square feet (when measured to exterior walls), exclusive of attached garages or other

similar appendages, unless same has been erected or construction thereof has commenced prior to the recording date hereof.

(b) No structure shall be used until the exterior thereof as approved pursuant to paragraph (4) immediately above, and sanitary sewerage disposal facilities (complying with paragraph (16) below) are completely finished.

(c) No dwelling shall be located on any lot nearer than twenty (20) feet to any private road easement, nor nearer than ten (10) feet to any exterior lot line, nor nearer than five (5) feet from any interior lot line except that:

(i) If one structure is constructed on a homesite consisting of more than one lot, the combined area shall (for this purpose) be considered as one lot.

(ii) The set-back lines may be relaxed by decision of the Architectural Control Committee, if the above-prescribed distances are not feasible, considering the terrain of the lot.

(d) No structure shall be placed on any lot which (by reason of high walls, or fences, excessive height, special peaked roof design, etc.) unreasonably will obscure the view of Lake Travis from a dwelling located or reasonably to be located upon an adjacent lot.

(e) The exterior walls of any structures erected on the property shall contain a combination of at least 51% masonry and glass.

(f) No trailer, tent, shack, garage, barn or other outbuilding or structure of a temporary character shall, at any time, ever be used as a residence, temporary or permanent; nor shall any structure of a temporary character ever be used in any way or moved onto or permitted to remain on any lot, except during construction of a permanent structure.

(g) With reasonable diligence, and in all events within one (1) year from the commencement of construction (unless completion is prevented by war, strikes, or act of God) any dwelling commenced shall be completed as to its exterior, and all temporary structures, building equipment, materials, and supplies shall be removed or kept inside the residence.

Section 6. Signs. Except for the permanent entrance sign for the subdivision, no sign of any kind shall be displayed to the public view without the prior approval of the Architectural Committee. The Architectural Committee may permit signs of any type advertising a portion of the Property for sale or lease and it may set standards for the size, color, material, location and time period for which the sign may be displayed.

Section 7. Nuisances. No noxious or offensive activity shall be carried on or maintained on any lot in the Subdivision, nor shall any thing be done or permitted to be done thereon which may be or become a nuisance in the neighborhood. The board, in its sole

discretion, shall determine whether an action or activity constitutes a violation of this Section.

Section 8. Firearms. The use or discharge of firearms is expressly prohibited within the Subdivision.

Section 9. Garbage and trash disposal. No lot shall be used as a dumping ground for rubbish, trash, garbage or other waste. All rubbish, trash, garbage, or other waste shall be kept in sanitary containers and promptly disposed of. All trash, litter, garbage, or other waste must be promptly removed from lots. Any incinerator or other equipment for the storage of disposal of such material shall be kept in a clean, sanitary and sightly condition. During the construction of improvements no trash shall be burned on any lot except in a safe incinerator, and, unless so burned, shall be removed by the lot owner.

Section 10. Storage of materials. No building material or any kind shall be placed or stored upon any lot except during actual bona fide construction; and then, such material shall be placed within the property lines of the lot on which the improvements are to be erected, and after one (1) year from the beginning of construction, shall be removed or be kept within the residence.

No trash, rubbish or debris of any kind shall be placed or permitted to accumulate upon any Lot and no odors shall be permitted to arise therefrom so as to render such Lot or any portion thereof unsanitary, unsightly, offensive or detrimental to any other lot, Owner or occupant, All trash, rubbish and debris shall be kept at all times in covered containers designed for that purpose and such containers shall be kept within enclosed structures or appropriately screened from view from any street, Common Areas or Lot (except during that period, not to exceed 24 hours, during which such trash, rubbish and debris is to be collected and disposed of by the waste disposal provided serving the Subdivision). The association may remove any materials kept in violation of this Section, or otherwise cure any violation of this section, at the expense of the Owner.

Section 11. Animals. No horses, cows, sheep, goats, swine, poultry, or livestock of any kind may be kept on any lot except that house pets may be kept provided they are not kept, bred, or maintained for any commercial purposes. The Board may adopt rules regarding pets, including limiting the number and type of house pets permitted. All pets must have current vaccinations, and dogs must wear identification tags and proof of current vaccinations at all times.

Section 12. Drainage structures. Drainage structures under private driveways shall always have a net opening area of sufficient size to permit the free flow of water without backwater.

Section 13. Unsightly storage. The use of any carport, driveway, private or public street, or parking area that may be in front of, adjacent to, or part of any Lot (together, the "Parking Area") as a parking place (for any length of time) for trucks, trailers, mobile homes, recreational vehicles, boats, or commercial vehicles, or other vehicles or objects considered

unsightly in the Board's sole discretion, is prohibited except as provided herein. For purposes of this Declaration, "commercial vehicles" include any vehicle bearing lettering or advertising (other than a reasonable number of bumper stickers on the bumper or decals on the windshields) or any commercial-type vehicle which may be used for government, non-profit, or other non-commercial purposes. However, emergency service vehicles (such as fire trucks, ambulances, and police or sheriff's patrol cars) shall not be considered commercial vehicles.

Unless prior written approval from the Board is obtained, boats, trailers, or recreational vehicles are allowed only between the period of Memorial Day and Labor Day of each year, only in the Parking Area and only for a period of time not to exceed Friday, 5:00 pm through the following Monday, 12:00 noon. Commercial vehicles may be parked in the above-described Parking Areas only for an amount of time reasonably necessary to perform repairs, maintenance, and construction on the Lot, but in no event may any commercial vehicle be parked (for any amount of time per day) for more than 7 consecutive days on a Lot or adjacent to a Lot without prior written permission from the Board or Architectural Committee.

Section 14. Off-street parking. Both prior to and after the occupancy of a dwelling on any lot, the owner shall provide appropriate space for off-the-private-road-easements parking for his or her vehicle or vehicles. Owners may not park their vehicles on the street. The Board may adopt rules regarding guest parking.

Section 15. Association rules. All lot owners, residents and their guests must abide by the rules established by the Inverness Point Property Owners Association, Inc.

Section 16. Sewage. No outside toilets will be permitted. No installation of any kind for disposal of sewerage shall be allowed which would result in raw or untreated sewerage being carried into the waters of Lake Travis. No means of sewerage disposal may be installed or used except a septic tank or similar or improved sanitary method of sewerage disposal, meeting the requirements of and approval of the proper governmental authorities having jurisdiction with respect thereto. The drainage of septic tanks or other sewerage disposal facilities into any ditch or easement either directly or indirectly, is prohibited.

Section 17. Risk. Nothing shall be done or kept on a lot or on the common areas which would increase the rate of insurance relating thereto without the prior written consent of the Association, and no owner shall permit anything to be done or kept on his or her lot or the common areas which would result in the cancellation of insurance on any residence or on any part of the common areas, or which would be in violation of any law.

Section 18. Grass and weeds. The owner of each lot shall keep grass, weeds and vegetation (except as part of a landscaping plan approved by the Archcom), trimmed or cut so that the same shall remain in a neat and attractive condition. Upon any failure of the owner to do so within thirty (30) days after notice to said owner that the grass, weeds and vegetation are in an unacceptable condition, the Board of Directors of its agent may enter upon said lot to maintain or remove said vegetation at the expense of the owner -- provided that the cost to

the owner shall not exceed (i) seventy five dollars (\$75.00) per lot per occurrence, or (ii) the actual cost of the work plus 10%, whichever higher.

Section 19. Fences. No fence, hedge, wall, or other dividing shall be constructed or maintained on any lot without prior approval of the Archcom. No fence shall exceed 10 feet in height at any portion of it (except that the Archcom shall have discretion to waive this requirement when unique topographical considerations warrant it in the Archcom's sole discretion.)

Section 20. Oil, gas and mineral development. No oil or gas drilling, oil or gas development operations, oil or gas refining or treatment, or quarrying or mining operations of any kind shall be permitted upon or in any part of the lands in this Subdivision or its common areas, nor shall oil or gas wells, or tunnels, mineral excavations or shafts be permitted in or upon any part of said lands at any time while these restrictions remain in force and effect. No derrick or other structure designed for use in boring or drilling for oil or gas shall be erected, maintained anywhere in the Subdivision at any time. These restrictions shall not prohibit the drilling and production of water wells.

Section 21. Hazardous Activities. No activities shall be conducted on the property an no improvements constructed on the property which are or might be unsafe or hazardous to any person or property. Fireworks must be used reasonably and in compliance with any rules or ordinances adopted by the Board, Travis County or any governmental entity.

Section 22. Government Requirements. All improvements and construction shall comply with all applicable governmental laws, ordinances, and regulations. The Association may in its discretion require owners to show proof of compliance with all applicable governmental laws, ordinances and regulations.

ARTICLE VI. OWNERS' OBLIGATION TO REPAIR

Each owner shall, at his sole cost and expense, repair his or her residence, keeping the same in a condition comparable to the condition of such residence at the time of its initial construction, excepting only normal wear and tear.

ARTICLE VII. OWNERS' OBLIGATION TO REBUILD

If all or any portion of a residence is damaged or destroyed by fire or other casualty, it shall be the duty of the owner thereof, with all due diligence, to rebuild, repair, or reconstruct such residence in a manner which will substantially restore it to its appearance and condition immediately prior to the casualty. Alternatively, the owner may completely raze the site and return the lot to a near undeveloped state by removing all evidence of the prior improvements. Reconstruction (or razing) shall be undertaken within six (6) months after the damage occurs, and shall be completed within six (6) months after the reconstruction commences, unless prevented by causes beyond the control of the owner or owners.

ARTICLE VIII. ANNEXATION OF ADDITIONAL PROPERTY

Additional residential property and common area may be annexed to the Subdivision with the consent of two-thirds (2/3) of the votes of the lot owners. In such event, all governing documents (these Restrictions, the bylaws, rules and regulations, and all other governing documents) will automatically apply to the annexed land. Such annexed lands may result in the necessity to amend the description of a lot or lots within the subdivision or the necessity to create additional lots or common areas which in either case such annexed lands would be bound by the 2006 Amended Protective Restrictions and Covenants of Inverness Point, and any amendments thereto. If it is agreed that property will be annexed into the Subdivision, the Board may place restrictions or conditions on the annexation. Improvements on property annexed into the association may not obstruct the views of Lake Travis from properties within the Subdivision.

Should lands annexed to the Subdivision be impossible to reach by way of existing subdivision roads, then with the consent of 2/3 of the votes of the lot owners and a deeded right-of-way to the Inverness Point Property Owners Association by the lot owner(s) willing to grant such road right-of-way, it is understood that a right-of-way shall be permitted for the sole and only purpose of allowing access to land annexed to the Subdivision. If a property owner acquires additional property that adjoins their existing property in the Subdivision, but is not annexed to the Subdivision, then the Owner shall not have access to said property through the Subdivision.

ARTICLE IX. GENERAL PROVISIONS

Section 1. Covenants running with the land. All of the restrictions, covenants, and easements herein provided for and adopted apply to each and every lot in the Subdivision. These covenants shall be covenants running with the land, and shall be binding on all parties having any right, title or interest in the lots in the Subdivision or any party thereof, their heirs, successors, and assigns, and shall inure to the benefit of each owner thereof. The Association and each Owner shall have the right to enforce observance and performance of the restrictions and covenants contained and provided herein, and in order to prevent a breach or to enforce the observance or performance of same, shall have the right, in addition to all legal remedies or remedies elsewhere provided herein and in the Bylaws or other governing documents, to an injunction either to prevent a breach of any such restriction or covenant or to enforce the performance thereof.

Section 2. Lien created. Each lot shall be subject to an annual assessment for the purpose of maintaining the Subdivision in good order, operating the common areas and their improvements, and generally funding the activities of the Association, all as provided herein. Upon acceptance of any contract or conveyance to any lot in Inverness Point, each grantee and each of the undersigned, for himself, his heirs and assigns, agrees that each such assessment is a part of the consideration for such contract or conveyance, and shall be, and is hereby secured by a lien on each such lot.

Section 3. Liability. It is stipulated that neither the Association, Developer or any of the undersigned shall ever be liable for the failure of any purchaser of any lots in the

Subdivision or any other person to observe or comply with said restrictions, covenants and easements, or any of them, nor shall they be liable or responsible for any breach or violation thereof by any person, nor shall they be compelled to institute any proceedings to enforce the observance of or compliance which the same and they do not now have nor shall they ever be charged with or ever have any financial liability, duty or obligation to do or refrain from doing or to perform or to refrain from performing any act or service or thing of any kind which Association, Developer or the undersigned, in these restrictions and covenants, is given the option or privilege to do or refrain from doing. All rights and interest of Developer have been assigned to the Inverness Point Property Owners Association, Inc.

Section 4. Amendments. Such restrictions and covenants may be amended or changed at anytime by the affirmative vote of the then owners of at least two-thirds (2/3) of the lots shown by the recorded plat of Inverness Point that are eligible to vote. Such amendment or change shall become effective upon being duly adopted and filed of record in the office of the County Clerk of Travis County, Texas. If such a change is requested by a person or persons other than the Board of Directors of the Association, such person or persons requesting the change shall bear all the expenses in connection therewith.

Section 5. Partial invalidity. Invalidation of any covenant, restriction, etc. (by court judgement or otherwise) shall not affect, in any way, the validity of all other covenants, restrictions, etc. -- all of which shall not be deemed a waiver of the right to enforce against the violator or others the conditions so violated or any other conditions; and the Association shall have the right to enter the property of the violator and correct the violation, or to require that the same be corrected.

Section 6. Duration of restrictions.

(a) The restrictions and covenants herein provided for and adopted shall remain in full force and effect until July 1, 2008, unless sooner amended as herein provided.

(b) At the end of the term provided in (6), (a) above, and at the end of each ten (10) year extension herein provided, the restrictions and covenants shall be automatically renewed and extended for succeeding periods of ten (10) years each.

Inverness Point Property Owners Association, Inc.

By: _____

Title: _____

Attachments: Lot owner signatures

STATE OF TEXAS
COUNTY OF TRAVIS

This instrument was acknowledged before me on _____ by
_____.

Notary Public for the State of Texas
Printed name of notary

My commission expires

After recording, please return to:
Niemann & Niemann, L.L.P.
1122 Colorado St., Suite 313
Austin, Texas 78701