Parts of this PUD have been amended with regard to multi-family (MF) development by Ordinance No. Z-12-10-25-I3. These amendments **have not been incorporated into the text** of the PUD document; please refer to the appropriate part of the ordinance for amendments specific to the PUD.

Ordinance Z-12-10-25-I3 is posted here (copy and paste the link into your browser): http://www.roundrocktexas.gov/wp-content/uploads/2015/03/Z-12-10-25-I3-MF-in-PUDs.pdf

PUD 2	(Part I.)	Paragraph Three amended
PUD 4	(Part II.)	Section II of the Development Guidelines of Exhibit "B"
PUD 10	(Part III.)	Sections 2.1 and 13.1 of the Development Plan of Exhibit "B"
PUD 15	(Part IV.)	Section II.5.1 of the Development Plan
PUD 20	(Part V.)	Section II.5.1 and II.5.2 of the Development Plan
PUD 26	(Part VI.)	Section II.5.1 of the Development Plan of Exhibit "C"
PUD 31	(Part VII.)	Section II.5 of the Development Plan
PUD 39	(Part VIII.)	Exhibits "F-2" "F-3" and "F-4"
PUD 40	(Part IX.)	Section 1.1 of Exhibit "E"
PUD 42	(Part X.)	Section 1 of the Development Standards for Parcels "1, 2 and 3" in Exhibit "D"
PUD 53	(Part XI.)	Section 1 of the Development Standards for Parcel 2 in Exhibit "D"
PUD 68	(Part XII.)	Section II.4.1 of the Development Plan of Exhibit "B"
PUD 70	(Part XIII.)	Sections II.4.1 and II.6 of the Development Plan of Exhibit "B"
PUD 71	(Part XIV.)	Section 1. (a) of Exhibit "D"
PUD 73	(Part XV.)	Section II.4.1 of the Development Plan of Exhibit "B"
PUD 74	(Part XVI.)	Sections II.4.1 and II.5.2 and II.7.3 of the Development Plan of Exhibit "B"
PUD 78	(Part XVII.)	Sections II.4.1 and II.5.2 and II.5.4 of the Development Plan of Exhibit "B"
PUD 83	(Part XVIII.)	Sections II.4.1 and II.6.4 (2) of the Development Plan of Exhibit "B"
PUD 84	(Part XIX.)	Section II.6.1(1)(b) of the Development Plan
PUD 85	(Part XX.)	Sections II.4.1 and II.5.1 of the Development Plan of Exhibit "B"
PUD 89	(Part XXI.)	Section II.4.1 and II.6.1 of the Development Plan of Exhibit "B"
PUD 90	(Part XXII.)	Sections II.4.1 and II.6 of the Development Plan of Exhibit "B" and Exhibits "B" and "D"

ORDINANCE NO. 1238

AN ORDINANCE AMENDING THE OFFICIAL ZONING MAP OF THE CITY OF ROUND ROCK, ADOPTED IN CHAPTER 11, SECTION 3.E.(2), CODE OF ORDINANCES, CITY OF ROUND ROCK, TEXAS AND MAKING THIS AMENDMENT A PART OF THE SAID OFFICIAL ZONING MAP, TO-WIT: TO CHANGE 20.06 ACRES, MORE OR LESS, OUT OF THE David Curry Survey, Abstract No. 130 SURVEY, WILLIAMSON COUNTY, TEXAS, AS DESCRIBED BELOW FROM MF (Multi-Family Residential) TO PUD #2 (Planned Unit Development).

WHEREAS, an application has been made to the City Council of the City of Round Rock, Texas to amend the Official Zoning Map to change the zoning classification of the property described in Exhibit "A" from MF (Multi-Family Residential) to PUD #2 (Planned Unit Development).

WHEREAS, the City Council has submitted the requested change in the Official Zoning Map to the Planning and Zoning Commission for its recommendation and report, and

WHEREAS, the Planning and Zoning Commission held a public hearing concerning the requested change on the 6th day of November, 19 86, following lawful publication of the notice of said public hearing, and

WHEREAS, after considering the public testimony received at such hearing, the Planning and Zoning Commission has recommended that the Official Zoning Map be amended so that the zoning classification of the above described property be changed from MF (Multi-Family Residential) to PUD #2 (Planned Unit Development), and

WHEREAS, on the 13th day of November, 1986, after proper notification, the City Council held a public hearing on the requested change, and

WHEREAS, the City Council has determined that substantial changes in conditions have occurred which justify the zoning classification change provided for herein, and

WHEREAS, the City Council determines that the zoning classification change provided for herein promotes the

health, safety, morals and protects and preserves the general welfare of the community, and

WHEREAS, the applicant has agreed to enter into an agreement outlining the Planned Unit Development to be placed on the land, and

WHEREAS, each and every requirement set forth in Art. 1011a-f V.A.T.S. and Chapter 11, Section 3, Code of Ordinances, City of Round Rock, Texas concerning public notices, hearings, and other procedural matters has been fully complied with, NOW THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF ROUND ROCK, TEXAS

I.

That the Official Zoning Map adopted in Chapter 11, Section 3.E.(2), Code of Ordinances, City of Round Rock, Texas is hereby amended so that the zoning classification of the property described in Exhibit "A" attached hereto and incorporated herein is hereby changed from MF (Multi-Family Residential)

and shall be, and hereafter designated as PUD #2 (Planned Unit Development)

and, that the Mayor be authorized to enter into the PUD agreement attached hereto as exhibit "b".

(Mark through the following alternative that is not applicable)

Alternative 1.

By motion duly made, seconded and passed with an affirmative vote of all the Council members present, the requirement for reading this ordinance on two separate days was dispensed with.

READ, PASSED, and ADOPTED on first reading this _____ day of _____, _____.

Alternative 2.

READ and APPROVED on first reading this the 13th day of November, 1986.

READ, APPROVED and ADOPTED on second reading this the 22nd day of January, 1987.

Mike Robinson

MIKE ROBINSON, Mayor
City of Round Rock, Texas

ATTEST:

Joanne Land

JOANNE LAND, City Secretary

PUD #2 AGREEMENT

WHEREAS, Crystal Park Associates, Ltd. and Crystal Park Apartments, Ltd. (hereinafter collectively referred to as the "Developer") have requested the approval by the City of Round Rock, Texas ("City") of a planned unit development for a 408-unit apartment development on the tract of land (the "Land") described on Exhibit "A" attached hereto and made a part hereof; and

WHEREAS, the City has reviewed the proposed planned unit development and has determined that it promotes the health, safety, and general welfare of the citizens of Round Rock and that it complies with the intent of the City of Round Rock PUD Ordinance #1203.

NOW, THEREFORE, it is agreed that the Land shall be developed as a planned unit development in accordance with that certain Declaration of Covenants and Restrictions for PUD #2 ("Declaration") to be recorded in the real property records of Williamson County, Texas and shall be known as "PUD #2." PUD #2 shall consist of a phased, multi-family residential development and certain recreational amenities, all of which shall be constructed in accordance with the site plan ("Site Plan") for PUD #2 attached hereto as Exhibit "B" and made a part hereof. All buildings, parking, driveways and landscaped areas shall be developed on PUD #2 in accordance with Exhibit "B".

It is further agreed that a nonexclusive recreational easement shall be granted to the City of Round Rock over that portion of the Land designated as Parcel 1 on the Site Plan, such easement to be created pursuant to the terms and conditions of the Declaration.

It is further agreed that the site plan for each phase of development of a portion of the Land shall be submitted to the City of Round Rock Development Review Board for approval prior to the issuance of building permit for such phase of development. Such site plans shall include detailed landscaping plans, including berming or screening of all parking located in street yards.

It is further agreed that at such time as the Land is subdivided a 26-foot wide emergency access easement across the first phase of the Land to be developed shall be granted to the City, such easement to be in a form reasonably satisfactory to the City fire marshall.

By approval of the Site Plan, the City has approved plans for the planting of fescue grass as a sports field on Parcel 1 and the installation of five (5) picnic tables and five (5) barbeque pits on Parcel 1 in connection with the completion of the improvements on the first phase of the Land to be developed.

By approval of the Site Plan, the City has also approved plans for the installation of five (5) additional picnic tables and five (5) additional barbeque pits and the construction of a jogging trail on Parcel 1 in connection with the completion of the improvements on the second phase of the Land to be developed.

The City hereby approves the following parking ratios:

1. 1.5 stalls per each one bedroom unit; and

2. 2.0 stalls per each two bedroom unit.

All other aspects of parking requirements, including the definition of apartment size, shall be in accordance with the City of Round Rock Zoning Ordinance.

OFFICIAL RECORDS
WILLIAMSON COUNTY, TEXAS

No filling of any portion of the 100-year flood plain shall occur without prior written approval of the City of Round Rock Flood Plain Administrator.

Developer agrees that PUD #2 Owners Association, Inc. ("Association"), a Texas non-profit corporation, shall be created simultaneously with the recording of the Declaration. The Association shall be responsible for the development and maintenance of Parcel 1.

The terms of this agreement and all exhibits hereto shall become the zoning district for PUD #2, and they shall be shown as PUD #2 on the City of Round Rock Zoning Map.

This agreement shall be binding on all parties to the agreement, their heirs, successors and assigns and shall be incorporated into the Declaration for all purposes.

The terms of this agreement may be altered only in accordance with the provisions of the City PUD Ordinance #1203, as amended from time to time.

Executed in duplicate this the 22ND day of January, 1987.

Attest:

JoAnne Land,
City Secretary

CITY OF ROUND ROCK

Mike Robinson,
Mayor

CRYSTAL PARK ASSOCIATES, LTD.,
a California limited partnership

By: Emkay Development Company, Inc., a Nevada corporation, managing general partner

By:
Name: Emil Rothlisberger
Title: Area Manager

CRYSTAL PARK APARTMENTS, LTD.,
a California limited partnership

By: Emkay Development Company, Inc., a Nevada corporation, managing general partner

By:
Name: Emil Rothlisberger
Title: Area Manager

4577p

THE STATE OF TEXAS

COUNTY OF WILLIAMSON

BEFORE ME, the undersigned authority, on this day personnally appeared Emil Rothlisberger, known to me to be the person whose name is subscribed to the foregoing instrument as Area Manager, for Emkay Development Company, general managing partner of Crystal Park Associates, Ltd., and Crystal Park Apartments, Ltd., and he acknowledged to me that he executed the same for the purposes and considerations therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 16th day of January, A.D. 1987.

Notary Public in and for Williamson County, Texas

NOTARY PUBLIC STATE OF TEXAS
SCOTTY C. MUENCHOW
Notary Public, State of Texas
My Commission Expires Nov. 14, 1989

EXHIBIT "A"

CRYSTAL PARK (PROPOSED)
20.36 ACRES
OUT OF THE DAVID CURRY SURVEY
WILLIAMSON COUNTY

FN 0039 (MB)
NOVEMBER 11, 1985
EH&A JOB. NO. 6786-08

A DESCRIPTION OF A 20.36 ACRE TRACT OF LAND OUT OF THE DAVID CURRY SURVEY, ABSTRACT NO. 130, SITUATED IN WILLIAMSON COUNTY, TEXAS, THE SAID 20.36 ACRE TRACT BEING A PORTION OF THAT CERTAIN 140.67 ACRE TRACT OF LAND AS DESCRIBED IN DEEDS TO EMKAY DEVELOPMENT INC., OF RECORD IN VOLUME 1047 PAGE 721, VOLUME 1047 PAGE 701 AND VOLUME 953 PAGE 601 OF THE DEED RECORDS OF WILLIAMSON COUNTY, TEXAS THE SAID 20.36 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at an iron rod found for the most northeasterly corner of the said 140.67 acre tract, being the most northeasterly corner hereof;

THENCE with an east line of the said 140.67 acre tract, being an east line hereof, the following two (2) courses:

1. S 18°-27'-22" E, a distance of 374.50 feet to an iron rod found, and

2. S 18°-35'-32" E, a distance of 256.11 feet to an iron rod found for an inside corner of the said 140.67 acre tract, being an inside corner hereof;

THENCE with a north line of the said 140.67 acre tract, being a north line hereof, N 71°-35'-46" E, a distance of 401.04 feet to an iron rod found for an easterly corner of the said 140.67 acre tract, being an easterly corner hereof;

THENCE with the most easterly line of the said 140.67 acre tract, being the most easterly line hereof, S 18°-13'-15" E, 471.77 feet to an iron rod found for a point in the most easterly line of the said 140.67 acre tract for the southeast corner hereof;

THENCE departing the most easterly line of the said 140.67 acre tract and over and across the said 140.67 acre tract the following seven (7) courses and distances:

1. S 71°-33'-15" W, a distance of 610.25 feet to an iron rod found,

2. A distance of 9.31 feet with the arc of a curve to the left having a central angle of 00°-15'-32", a radius of 2060.00 feet, and a chord bearing of S 71°-25'-29" W, a distance of 9.31 feet to an iron rod found for a point of reverse curvature,

3. A distance of 37.75 feet with the arc of a curve to the right having a central angle of 86°-31'-09", a radius of 25.00 feet, and a chord bearing of N 65°-26'-43" W, a distance of 34.27 feet to a point of reverse curvature,

4. A distance of 364.07 feet with the arc of a curve to the left having a central angle of 48°-30'-37", a radius of 430.00 feet, and a chord bearing of N 46°-26'-27" W, a distance of 353.29 feet to an iron rod found for a point of tangency,

5. N 70°-41'-45" W, a distance of 509.54 feet to an iron rod found for a point of curvature,

6. A distance of 160.14 feet with the arc of a curve to the left having a central angle of 21°-20'-17", a radius of 430.00 feet, and a chord bearing of N 81°-21'-52" W, a distance of 159.22 feet to an iron rod set for point on the curve, and

7. N 03°-07'-27" W, a distance of 395.61 feet to an iron rod found on the north line of the said 140.67 acre tract for the northwest corner hereof;

CRYSTAL PARK (PROPOSED)
20.36 ACRES
OUT OF THE DAVID CURRY SURVEY
WILLIAMSON COUNTY

FN 0039 (MB)
NOVEMBER 11, 1985
EH&A JOB. NO. 6786-08

THENCE with the north line of the said 140.67 acre tract, being the north line hereof, the following two (2) courses and distances:

1. N 72°-12'-50" E, a distance of 106.81 feet to an iron rod found,

2. N 71°-21'-11" E, a distance of 743.85 feet to the POINT OF BEGINNING, containing 20.36 acres of land, more or less.

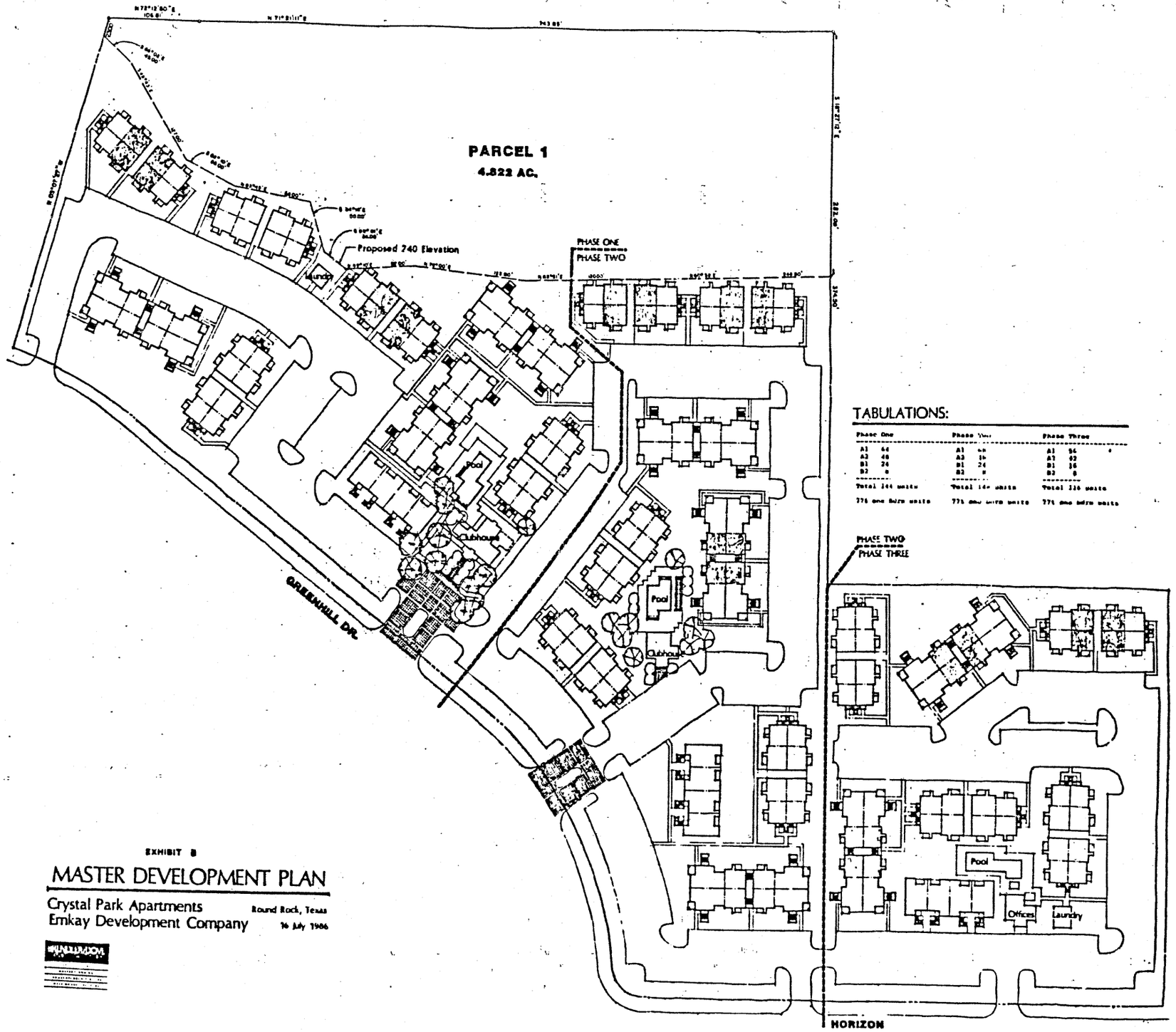
THE STATE OF TEXAS :
: KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF TRAVIS :

That I, Lawrence A. Hunt, a Registered Public Surveyor, do hereby certify that the above description was prepared from an on the ground survey under my direction and supervision and is true and correct to the best of my knowledge.

WITNESS MY HAND AND SEAL AT Austin, Travis County, Texas this the 11TH day of NOVEMBER, 1985, A.D.

STATE OF TEXAS
LAWRENCE A. HUNT
4328
REGISTERED PUBLIC SURVEYOR

Lawrence A. Hunt
Registered Public Surveyor
No. 4328 - State of Texas



TABULATIONS:

Phase One	Phase Two	Phase Three
A1 44	A1 44	A1 56
A2 48	A2 16	A2 40
B1 24	B1 24	B1 16
B2 8	B2 8	B2 8
Total 144 units	Total 144 units	Total 120 units
77% one bdrm units	77% one bdrm units	77% one bdrm units

EXHIBIT B

MASTER DEVELOPMENT PLAN

Crystal Park Apartments — Round Rock, Texas

Emkay Development Company — 16 July 1986

ACTION OF BOARD OF DIRECTORS OF PUD #2 OWNERS ASSOCIATION, INC., WITHOUT ORGANIZATIONAL MEETING

The undersigned, being all of the present Directors of PUD #2 Owners Association, Inc., a Texas non-profit corporation, and being all of the Directors named in the Articles of Incorporation of PUD #2 Owners Association, Inc., which were filed with the Secretary of State of the State of Texas, do hereby individually and collectively consent in writing in accordance with Article 9.10 of the Texas Non-Profit Corporation Act to take the following action, transact the following business, and adopt the following resolutions:

RESOLVED, that the following person be, and hereby are, elected to the offices set forth below opposite their names:

	Name	Office
1.	Gregory E. Crouch	President
2.	Emil Rothlisberger	Vice President
3.	Gary L. Cheek	Secretary
4.	Gary L. Cheek	Treasurer

RESOLVED, that the copy of the Articles of Incorporation attached hereto is a true copy of the Articles of Incorporation of this Corporation filed with the Secretary of State of Texas, and that this copy and the Certificate of Incorporation shall be placed in the Minute Book of the Corporation;

RESOLVED, that the Bylaws appearing on the document hereto attached entitled "BYLAWS OF PUD #2 OWNERS ASSOCIATION, INC." (hereinafter sometimes referred to as "Bylaws"), be, and hereby are, adopted as the Bylaws of this Corporation and that one copy of the Bylaws be placed in the Minute Book of the Corporation following the Articles of Incorporation, that the Secretary of the Corporation shall certify a copy of the Bylaws and maintain them in the principal office of the Corporation for the transaction of its business, open for inspection by the members at all reasonable times during office hours, and that, in certifying the Bylaws, the Secretary shall state in the Certificate that the Bylaws were adopted by the unanimous written consent of the Directors without a meeting pursuant to Article 9.10 of the Texas Non-Profit Corporation Act;

RESOLVED, that the Secretary of the Corporation be, and hereby is authorized to procure all corporate books required by law or necessary or appropriate in connection with the business of the Corporation, and that the President of the Corporation be, and hereby is, authorized to pay all charges and expenses incident to the organization of the Corporation;

RESOLVED, that the fiscal year of this Corporation for federal income tax and financial reporting purposes shall be from January 1 through December 31 of each year.

Executed by each of the undersigned as of this 16 day of January, 1987.

Gregory E. Crouch, Director

Emil Rothlisberger, Director

Gary L. Cheek, Director

4319p

THE STATE OF TEXAS

COUNTY OF WILLIAMSON

BEFORE ME, the undersigned authority, on this day personally appeared Gregory R. Crouch, known to me to be the person whose name is subscribed to the foregoing instrument as Director, PUD #2 Owners Association, Inc. and he acknowledged to me to be that he executed the same for the purposes and considerations therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 16th day of January, A.D. 1987.

Scotty C. Muenchow
Notary Public in and for Williamson County, Texas

SCOTTY C. MUENCHOW
Notary Public, State of Texas
My Commission Expires Nov. 14, 1989

THE STATE OF TEXAS

COUNTY OF WILLIAMSON

BEFORE ME, the undersigned authority, on this day personally appeared Lynn Rothlisberger, known to me to be the person whose name is subscribed to the foregoing instrument as Director, PUD #2 Owners Association, Inc., and he acknowledged to me that he executed the same for the purposes and considerations therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 16th day of January, A.D., 1987.

Scotty C. Muenchow
Notary Public in and for Williamson County, Texas

SCOTTY C. MUENCHOW
Notary Public, State of Texas
My Commission Expires Nov. 14, 1989

THE STATE OF TEXAS

COUNTY OF WILLIAMSON

BEFROE ME, the undersigned authority on this day personally appeared Gary L. Creek, known to me to be the person whose name is subscribed to the foregoing instrument as Director, PUD #2 Owners Association, Inc., and he acknowledged to me that he executed the same for the purposes and considerations therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 16th day of January, A.D., 1987.

Scotty C. Muenchow
Notary Public in and for Williasmon County, Texas

SCOTTY C. MUENCHOW
Notary Public, State of Texas
My Commission Expires Nov. 14, 1989

STATE OF TEXAS COUNTY OF WILLIAMSON
I hereby certify that this Instrument was FILED on the date and at the time stamped hereon by me; and was duly RECORDED, in the Volume and Page of the named RECORDS of Williamson County, Texas, as stamped hereon by me, on

MAY 12 1988

COUNTY CLERK
WILLIAMSON COUNTY, TEXAS

FILED FOR RECORD
WILLIAMSON COUNTY, TX.
1988 MAY 11 PM 4:49
COUNTY CLERK

DECLARATION OF COVENANTS AND RESTRICTIONS FOR PUD #2

THE STATE OF TEXAS §
§
COUNTY OF WILLIAMSON §

25422

THIS DECLARATION is made by Crystal Park Associates, Ltd., a California limited partnership, and Crystal Park Apartments, Ltd., a California limited partnership (together, "Developer").

Developer is the owner of the real property (the "Property") described in Exhibit "A" to this Declaration and desires to create thereon a planned unit development pursuant to the City of Round Rock PUD Ordinance #1203. The planned unit development shall be known as PUD #2. In connection with the creation of PUD #2, Developer hereby imposes upon the Property the following covenants, restrictions, charges, easements and liens, which shall be covenants running with the land and shall be binding upon each and every purchaser, grantee, owner, and occupant of any portion of the Property and upon their respective heirs, executors, administrators, devisees, successors and assigns.

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. The following terms, when used in this Declaration, shall have the following meanings:

(a) "Amenities" refers to physical structures placed on or changes made to the Recreational Area as required in connection with the creation of PUD #2, which Amenities are described as First Phase Recreational Area Improvements and Second Phase Recreational Area Improvements in Article V.

(b) "Annual Maintenance Charge" refers to the maintenance charge assessed on an annual basis under provisions of Section 4.4.

(c) "The Board" refers to the Board of Directors of the Association.

(d) "Board Approval" refers to the written approval of a majority of the members of the Board, acting in its sole discretion and in the good faith exercise of reasonable business judgment under the provisions of this Declaration.

(e) "Common Area" shall mean the common areas owned and/or maintained by the Umbrella Association and/or Interior Association for the common use and enjoyment of their respective members.

(f) "Developer" means the Developer and any successor or assign of Developer to which Developer expressly assigns its rights under this Declaration.

(g) "Improvements" refers to those physical features and structures defined as "Improvements" in the Umbrella Declaration, and excludes the Amenities.

(h) "Interior Association" shall mean the PUD #2 Owners Association, Inc., a Texas nonprofit association having jurisdiction over the Property, which Developer shall cause to be incorporated pursuant to the provisions hereof.

(i) "Maintenance Fund" refers to all funds collected by the Association from the Annual Maintenance Charge provided for in Section 4.1.

OFFICIAL RECORDS
WILLIAMSON COUNTY, TEXAS

(j) "Member" and/or "Members" refers to all of those Owners who are members of the Association as provided in Article 3.3.

(k) "Owner" refers to the record owner (whether one or more persons or entities) of the fee simple title to any portion of the Property, including, but not limited to, (a) any person or entity holding legal title as trustee or nominee, (b) the heirs, legal representatives, successors or assigns of any Owner, and (c) all other persons, or entities acquiring or succeeding to the title of the Owner by sale, grant, will, foreclosure, execution or by operation of law or in any other manner. "Owner" shall not refer to any mortgagee unless and until the mortgagee has acquired title.

(l) "Phase" refers to any phase of development of a portion of the Property, save and except the Recreational Area, as multi-family housing units. The approximate size and dimensions of three planned Phases are set forth on the Site Plan. The exact size and dimensions of each Phase shall be established by the recording of a subdivision plat executed by Developer and recorded in the real property records of Williamson County, Texas.

(m) "Recreational Area" refers to that certain parcel of land being a portion of the Property described by metes and bounds in Exhibit "B" attached hereto and made a part hereof and being shown as Parcel 1 on the Site Plan.

(n) "Site Plan" shall mean the site plan for the development of PUD #2 prepared by Brendler/Dove and dated January 16, 1987, attached hereto as Exhibit "C."

(o) "Special Assessment" refers to any special charge assessed against the Property for a specific amount, as provided for in Section 4.5.

(p) "Special Assessment Fund" refers to all funds collected by the Association from any Special Assessment provided for in Section 4.5.

(q) "Umbrella Association" shall mean the Crystal Park Property Owners Association, Inc., its successors and assigns, a Texas nonprofit corporation which Emkay Development Company, Inc., et al. has or shall cause to be incorporated as provided in a Declaration of Covenants and Restrictions for Crystal Park which has or will be recorded in the Real Property Records of Williamson County, Texas (the "Umbrella Declaration"), affecting a certain 140.9687-acre tract ("Umbrella Tract") described in Exhibit "D" attached hereto.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION

Section 2.1 Description. The Property which is, and shall be, held, transferred, sold, conveyed and occupied subject to this Declaration is more particularly described on Exhibit "A" attached hereto and incorporated herein by this reference.

Section 2.2 Recreational Area Easement. There is hereby perpetually dedicated, established and set aside for the common use, benefit and enjoyment of the City of Round Rock a non-exclusive recreational easement ("Easement") over and across the Recreational Area for the use and enjoyment of the Amenities located thereon. Each Owner and each Owner's lessees and invitees shall have the absolute right in common with the City of Round Rock to use and enjoy the Amenities subject only to the restrictions and regulations promulgated under the authority hereinafter set forth. At such time as the Property is

subdivided, ownership of the Recreational Area (subject to the easement herein described) shall be transferred to the Association.

Section 2.3 Emergency Access Easement. At such time as the Property is subdivided, a 26' wide emergency access easement across the first Phase shall be granted to the City of Round Rock, such easement to be in a form reasonably satisfactory to the City of Round Rock fire marshall.

ARTICLE III

PUD #2 OWNERS ASSOCIATION, INC.

Section 3.1 Organization. Developer shall cause the Association to be organized as a nonprofit corporation under the laws of the State of Texas under the name "PUD #2 Owners Association, Inc.," or a similar name if that name is not available.

Section 3.2 Purpose. The Association shall have as its purpose the development and maintenance of the Recreational Area, and in connection therewith the collection of the Annual Maintenance Charges and Special Assessments, administration of the Maintenance Fund and the Special Assessment Fund, and such other purposes as are stated in the Articles of Incorporation consistent with the provisions of this Declaration.

Section 3.3 Members. Each Owner is a Member of the Association and shall remain a Member until its ownership ceases for any reason. Each Owner's membership is based upon its ownership interest in a part of the Property and may not be separated from that ownership. The transfer of an ownership interest also transfers that Owner's membership whether or not the transfer instrument so provides.

Section 3.4 Voting Rights. The Association shall have one class of voting membership with all Members being entitled to one vote for each 1000 square feet of the Property in which it holds the ownership interest required for membership in the Association. When more than one person holds an interest in any one parcel of the Property, all those persons shall be Members, and the vote for that parcel shall be exercised as they determine among themselves, but only one vote may be cast with respect to each 1000 square feet of that parcel of Property.

Any Owner who is delinquent in the payment of any fee or assessment as provided for in Article IV, shall not be entitled to any vote during any period of delinquency. The area contained in any street or roadway dedicated for public purposes shall be excluded in establishing voting rights.

Section 3.5 Board of Directors. The affairs of the Association shall be managed by a Board of not less than three (3) Directors, who need not be Members of the Association. The initial Directors of the Association shall be selected by Developer, and two members of the Board of Directors shall be elected for a period of two (2) years and one member of the Board of Directors shall be elected for a period of one year, and shall hold office until their successors are duly elected and qualified. At each annual meeting thereafter, the Members of the Association shall elect such members of the Board of Directors for a term of two (2) years, for the position of Director then open for election.

Any vacancy, from whatever cause, occurring in the Board shall be filled by the majority vote of the remaining Directors. The person so appointed to fill a vacancy shall serve for the remainder of the term of the position that person filled, and thereafter until a successor is duly elected and qualified. Directors shall receive no compensation for their

services, but, by resolution of the Board, a Director may be reimbursed for reasonable expenses and costs incurred in serving as a Director. The Board shall have the power to enact any rules, bylaws, procedures and regulations consistent with the provisions of this Declaration, including, but not limited to, the election of a Chairman, delegation of powers, election of committees and establishment of rules of procedures, in order to carry out the business of the Board.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 4.1 The Maintenance Fund. All funds collected from the Annual Maintenance Charge shall be known as the "Maintenance Fund." The Maintenance Fund shall be held, used and expended by the Association for the common benefit of all Members for the following purposes:

(a) The maintenance, preservation and general upkeep of the Recreational Area and the Amenities and the construction, repair, maintenance and replacement of properties, services, improvements and facilities devoted to those purposes;

(b) The reimbursement of reasonable out-of-pocket expenses incurred by the Directors, in connection with this Declaration;

(c) Payment of legal, accounting, engineering and other expenses incurred in connection with the enforcement of this Declaration;

(d) Payment of all reasonable expenses incurred in connection with the collection and administration of the Annual Maintenance Charge and any Special Assessment; and

(e) Any such other non-capital items of expense as are determined to be necessary or desirable in the discretion of the Association to keep the Recreational Area neat and in good order, or which are considered of general benefit to the Members, it being understood that the judgment of the Association in the expenditure of funds shall be final and conclusive so long as its judgment is exercised in good faith.

The Association may, in its sole discretion, give one or more of these purposes preference over other purposes, and it is agreed that all expenses incurred and all expenditures and decisions made by the Association in good faith shall be binding and conclusive on all Members.

Section 4.2 Covenant for Assessments. Subject to the provisions set forth below in this Section 4.2 and in Section 4.3, each square foot of the Property (exclusive of those portions contained within a publicly dedicated street or roadway or within any Common Area) is hereby subjected to (i) the Annual Maintenance Charge, in an amount to be fixed by the Association as hereinafter provided, and (ii) Special Assessments as provided for (and subject to the conditions and limitations provided for) in Section 4.5. The Association shall for each year set the Annual Maintenance Charge at an amount estimated by the Association to be required to cover the cost and expenditures authorized in Section 4.1.

Each Owner of any portion of the Property by accepting a deed, possession or other claim to any of the Property, whether or not expressed in any deed or other instrument, is conclusively deemed to covenant and agree, as a covenant running with the land, to pay to the Association, its successors or assigns, each and all of the charges assessed against that portion of the Property, including without limitation the Annual Maintenance Charge and any Special Assessments, when due, without demand, together with interest, costs and attorney's

fees; but no Member shall be personally liable for the payment of any Annual Maintenance Charge or Special Assessment set after its ownership ceases. No Member shall be exempt or excused from paying any such charges by abandonment of its property.

Section 4.3 Portions of the Property Owned by Developer. As to all portions of the Property owned by Developer, Developer shall have the option, exercisable by Developer in its sole discretion at any time during its period of ownership, and in lieu of the Annual Maintenance Charge and Special Assessments imposed or to be imposed under this Article IV, to comply with either of the following provisions:

(a) To contribute to the Association the amount, if any, by which the proper expenses of the Association exceed the funds budgeted by the Association for those expenses, as such contributions are required from time to time; or

(b) To pay the full amount of the then existing Annual Maintenance Charge and any Special Assessments imposed or to be imposed under this Article IV, applicable to each square foot of the Property owned by Developer (exclusive of those portions of the Property contained within a publicly dedicated street or roadway or within any Common Area or any green area established by Developer pursuant to the Umbrella Declaration), in monthly, quarterly, semi-annual or annual installments as Developer shall in its sole discretion determine. All Owners other than Developer shall be obligated to pay the full amount of the Annual Maintenance Charge and any Special Assessments as provided for in this Declaration.

Section 4.4 The Annual Maintenance Charge. The Annual Maintenance Charge shall begin on the date (which shall be the first day of a month) fixed by the Board. The first assessment of the Annual Maintenance Charge shall be made not earlier than 1000 and shall be for the balance of the calendar year in which it is made and shall be payable to the Association on the day fixed for commencement, or in equal monthly, quarterly or semi-annual installments over the balance of the year, as determined by the Board in its sole discretion. The assessments for each calendar year after the first year shall be due and payable to the Association in advance of January 1 of each year, or in equal monthly, quarterly or semi-annual installments, as determined by the Board in its sole discretion.

The Board may decrease or increase the amount of the Annual Maintenance Charge at any time and from time to time by the adoption of a resolution, but no resolution increasing the Annual Maintenance Charge shall become effective prior to the expiration of ninety (90) days from the date of its adoption, and each Owner subject to that assessment shall, within thirty (30) days from that effective date, pay to the Association the proportionate part of the increase for the balance of the year. No resolution of the Board increasing the rate of the Annual Maintenance Charge by ten percent (10%) or more shall become effective until the resolution is ratified either (i) by the written consent of the Members of the Association who in the aggregate then own at least fifty-one percent (51%) of the Property, if no meeting of the Members is held for ratification, or (ii) by the consent of at least fifty-one percent (51%) of the votes of the Members of the Association who are present and voting in person or by proxy at a special meeting of the Members called for that purpose and at which a quorum is present. No increase in the Annual Maintenance Charge shall take effect retroactively, and no more than one increase in the Annual Maintenance Charge shall be permitted in any twelve (12) month period, unless approved by a majority of the Members.

If any resolution of the Board which required ratification by the Members of the Association as provided above in this Section 4.4 shall fail to receive ratification, then the amount

of the Annual Maintenance Charge last in effect shall continue in effect until changed in accordance with the provisions of this Section 4.4.

The Board may decrease the amount of the Annual Maintenance Charge without ratification by or consent of the Members of the Association.

Section 4.5 Special Assessments. From time to time the Board may by the adoption of a resolution impose a Special Assessment for a specific amount, to create a Special Assessment Fund to be used for any purpose permitted under Section 4.1 or to defray any net operating deficit of the Association incurred in the normal, ordinary and proper course of operation of the Association; provided, however, that before the resolution becomes effective it shall be ratified either (i) by the consent in writing of the Members of the Association who in the aggregate then own at least fifty-one percent (51%) of the Property, if no meeting of the Members is held for ratification, or (ii) by the consent of at least fifty-one percent (51%) of the votes of the Members of the Association who are present and voting in person or by proxy at a special meeting of the Members called for that purpose and at which a quorum is present. The Owner of each portion of the Property subject to a Special Assessment shall pay its portion of the Special Assessment to the Association at such time or times and in the manner as provided in the resolution. Notwithstanding anything contained in this Section 4.5 to the contrary, all portions of the Property owned by Developer shall be subject to the provisions of Section 4.3, as to the imposition of any Special Assessments.

Section 4.6 Notice and Quorum for Any Action Authorized Under Articles 4.4 or 4.5. Written notice of any meeting called for the purpose of taking any action authorized under Section 4.4 or 4.5 shall be sent to all Owners not less than ten (10) days nor more than fifty (50) days in advance of the meeting. At the first meeting, the presence of the Members or of proxies entitled to cast (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present the meeting may be adjourned for up to 24 hours until a quorum is present or another meeting may be called subject to the same notice requirement. The quorum requirement for each subsequent meeting called for such purposes shall be one-half of the required quorum for the preceding meeting, provided that no subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 4.7 Duties of the Board Regarding Special Assessments. The Board shall fix the date of commencement of each Special Assessment and the amount of the Special Assessment against the Property for each Special Assessment period at least thirty (30) days in advance and shall, at that time, prepare a roster of the applicable Owners. The roster shall be kept in the office of the Association and shall be open to inspection by Developer and any Owner. Written notice of the Special Assessment shall be sent to every Owner subject to a Special Assessment at least thirty (30) days prior to the date of commencement of the Special Assessment. The Association shall, upon demand at any time, furnish to any Owner liable for any Special Assessment a certificate in writing signed by an officer of the Association, setting forth whether the Special Assessment has been paid, which shall be conclusive evidence of payment.

Section 4.8 Liens to Secure Assessments. The Annual Maintenance Charge and any Special Assessments shall constitute and be secured by a separate, valid and subsisting lien, hereby created and fixed, and shall exist upon and against all of the Property and all improvements thereon, for the benefit of the Association and all Members. So long as the Association is made a party to any judicial proceeding to enforce any lien deemed to be superior by this Section 4.8, the lien hereby created shall be subordinate and inferior to:

(a) All liens for taxes or special assessments levied by the city, county and state governments, or any political subdivision or special district; and

(b) All liens securing amounts due or to become due under any mortgage, vendor's lien or deed of trust filed for record, prior to the date payment of any charges or assessments becomes due and payable. Any foreclosure of any superior lien under the powers of sale of any mortgage, deed of trust or other security instrument, or through judicial proceedings in which the Association has been made a party, shall cut off and extinguish the liens securing Annual Maintenance Charges and any Special Assessments which became due and payable prior to the foreclosure date, but no such foreclosure shall release any portion of the Property from the liens securing any Annual Maintenance Charges or Special Assessments thereafter becoming due and payable, nor shall the liability of any Member obligated to pay such Annual Maintenance Charge or Special Assessment which become due and payable prior to such foreclosure be extinguished by any foreclosure. Any foreclosure of any such superior lien through judicial proceedings in which the Association has not been made a party shall not cut off or extinguish any lien securing Annual Maintenance Charges or Special Assessments which became due and payable prior to the foreclosure date of the superior lien.

Section 4.9 Effect of Non-Payment of Assessment. If any Annual Maintenance Charge or Special Assessment is not paid within thirty (30) days from the date on which the charge is due, the unpaid amount shall bear interest from the due date until paid at the maximum rate allowed under applicable law (or, if there is no maximum rate, at the rate of twenty-four percent (24%) per annum), and, if any attorney is employed for collection or if suit is brought thereon or if collected through probate or other judicial proceedings, there shall be paid to the Association all court costs incurred by the Association plus an additional reasonable amount, but not less than ten percent (10%) of the amount owing, as attorney's fees. The Association, as an expense of all Members, may institute and maintain an action at law or in equity against any defaulting Member to enforce collection and/or for judicial or nonjudicial foreclosure of the liens. All actions may be instituted and brought in the name of the Association and may be maintained by the Association in the same manner as an action to foreclose the lien of a mortgage or deed of trust on real property under the Texas Property Code or other applicable statute.

Section 4.10 Collection and Enforcement. Each Member, by its assertion of title or claim of ownership or possession or by its acceptance of a deed to any portion of the Property, whether or not it shall be so recited in a deed or other instrument, shall be conclusively deemed to have expressly vested in the Association, its officers, agents, successors and assigns, the right, power, and authority to take all action which the Association shall deem proper for the collection of assessments and/or for the enforcement and foreclosure of the liens securing the assessments.

Section 4.11 Financial Statements; Right to Inspect Books and Records. The Association shall, not later than 120 days after the end of each fiscal year, furnish to each Member financial statements including a balance sheet as of the end of such year and a statement of operations. The financial statements may, but need not be, audited. Any Members shall have the right, during regular business hours and upon reasonable notice, at its own cost, to inspect the books and records of the Association at the office the Association.

Section 4.12 Allocation and Expenditure of Maintenance Fund. The judgment of the Association, its successors and assigns, in the allocation and expenditure of the Maintenance Fund shall be final as long as its judgment is exercised in good faith. If the Association acts in good faith, none of the Members of the Association, the Board, or any Director, shall have any liability to any person or entity under any theory or circumstance for error or judgment, action or inaction of the Association, the Board, or any Director. The enumeration of the services for which the Maintenance Fund may be expended carries no obligation to furnish any of those services except to the extent of funds actually received by the Association and which are available for that purpose.

ARTICLE V

RECREATIONAL AREA

Section 5.1 First Phase. The City of Round Rock, Texas ("City") has approved the Association's plans for the planting of fescue grass as a sports field on the Recreational Area and the installation of five (5) picnic tables and five (5) barbeque pits ("First Phase Recreational Area Improvements"). The First Phase Recreational Area Improvements shall be completed in connection with construction of the improvements on the first Phase of the Property to be developed.

Section 5.2 Second Phase. The City has approved the Association's plans for the installation of five (5) additional picnic tables and five (5) additional barbeque pits and the construction of a jogging trail on the Recreational Area ("Second Phase Recreational Area Improvements"). The Second Phase Recreational Area Improvements shall be completed in connection with construction of the improvements on the second Phase of the Property to be developed.

Section 5.3 Maintenance. The vegetation of the Recreational Area shall be preserved in its natural state to the greatest extent reasonably possible, consistent with development of the Amenities. The Amenities shall be maintained in a good condition by the Association, which shall include grooming of the fescue grass.

ARTICLE VI

GENERAL PROVISIONS

Section 6.1 Term. This Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by Developer, the Owner or Owners of any land subject to this Declaration, and their respective heirs, legal representatives, successors and assigns, for an initial term commencing on the effective date hereof and ending twenty (20) years thereafter. During this initial term this Declaration may be altered, amended or terminated only by an instrument signed by the then Owners of at least eighty percent (80%) of the total square foot area of the Property (exclusive of those portions of the Property contained within a publicly dedicated street or roadway or within any Common Area or any green area established by Developer) and recorded in the real property records of Williamson County, Texas. Upon the expiration of such initial term, this Declaration shall be automatically extended for successive periods of ten (10) years, unless terminated as provided in this Section 6.1. During any ten (10) year extension period, this Declaration may be altered, amended or terminated only by an instrument signed by the then Owners of at least sixty-five percent (65%) of the total square foot area of the Property (exclusive of those portions of the Property contained within a publicly dedicated street or roadway or within any Common Area or any green area established by Developer) and recorded in the real property records of Williamson County, Texas.

Section 6.2 Enforcement. Developer or any Owner shall have the right to enforce, by proceedings at law or in equity, all restrictions, covenants, conditions, reservation, liens, charges, assessments and all other provisions in this Declaration; provided, however, that the failure or refusal of Developer or any Owner to take any action upon a breach of the provisions of this Declaration by any Owner shall not make them, or any of them, liable in any manner. Failure or refusal of Developer or any Owner to take any action upon any breach or default of or in respect to any of the foregoing shall not be deemed a waiver of their right to take enforcement action upon any subsequent breach or default by any Owner.

Section 6.3 Amendments by Developer. Developer shall have and reserves the right at any time and from time to time, without the joinder or consent of any other person or entity to amend this Declaration by any instrument in writing duly signed, acknowledged and filed for record in the real property records of Williamson County, Texas for the limited purpose of correcting any typographical or grammatical error, ambiguity or inconsistency appearing herein, provided that any such amendment shall be consistent with and in furtherance of the general plan of development as evidenced by this Declaration and shall not impair or affect the vested property or other rights of any Owner or its mortgagee or lienholders.

Section 6.4 Indemnification by Owner. Each Owner agrees to indemnify and hold harmless Developer, its partners, representatives, agents, officers, directors, employees, successors, and assigns from and against any and all claims, demands, causes of action, losses, liabilities, accountings, judgments, awards, executions, costs and expenses, including, but not limited to, reasonable attorney's fees, incurred in or arising directly or indirectly, in whole or in part, out of this Declaration and the promotion, sale, subdivision, improvement, development, platting or replatting of all or any portion of the Property.

Section 6.5 Indemnification by City. The City hereby indemnifies and holds harmless Developer, each Owner, and the Association, their representatives, agents, officers, directors, employees, successors, and assigns from and against any and all claims, demands, causes of action, losses, liabilities, accountings, judgments, awards, executions, costs and expenses, including, but not limited to, reasonable attorney's fees, incurred in connection with or arising directly or indirectly, in whole or in part, out of the use by the City or the public of the Recreational Area.

Section 6.6 Interpretation. If this Declaration or any word, clause, sentence, paragraph or other part thereof shall be susceptible of more than one or conflicting interpretations, then the interpretation which is most nearly in accordance with the general purposes and objectives of this Declaration shall govern.

Section 6.7 Notices. Any notice required to be sent to any Owner, Developer, the Association or other person or entity under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postage prepaid, to the last known address of such person or entity at the time of such mailing.

Section 6.8 Terminology. Any reference to an "Article" or a "Section" in this Declaration shall be to provisions in this Declaration, unless expressly provided to the contrary.

Section 6.9 Severability. Invalidation of any one or more of the covenants, restrictions, conditions or provisions contained in this Declaration shall in no manner affect any of

the other covenants, restrictions, conditions or provisions of this Declaration, which shall remain in full force and effect, and to the fullest extent possible effect shall be given to the invalidated provision.

Section 6.10 Construction. This Declaration shall be construed in accordance with the laws of the State of Texas.

Section 6.11 Headings. The headings contained in this Declaration are for reference purposes only and shall not in any way affect the meaning or interpretation thereof.

Section 6.12 Consent of Lienholders. Emkay Development Company, Inc., a Nevada corporation, by joining herein, hereby:

(a) Consents for itself and its respective successors and assigns, to this Declaration, and

(b) Agrees that, notwithstanding any foreclosure of any of his or its liens or other encumbrances affecting all or any part of the Property, whether those liens or other encumbrances now exist or are hereafter created, or any conveyance in lieu of a foreclosure, this Declaration and all rights herein described shall continue unabated, in full force and effect. Although the undersigned lienholder has subordinated its liens to this Declaration, the lienholder has in no way subordinated its liens to any liens securing the Annual Maintenance Charges, or Special Assessments, or to any liens securing payment for work performed by the Association.

Section 6.13 Umbrella Association. The Property is included within the Umbrella Tract, which is subject to the Umbrella Declaration. The Umbrella Declaration governs the use of the Umbrella Tract, and apportions and assesses all expenses of operation and maintenance of the Improvements. The assessments provided for in this Declaration for the Amenities shall be collected and paid to the Interior Association separate and apart from any assessments for Improvements collected by and paid to the Umbrella Association. This Declaration is expressly subordinate to the terms of the Umbrella Declaration, whether the Umbrella Declaration is recorded before or after the recording of this Declaration.

Section 6.14 Parking. Development of the Phases must comply with parking requirements of the City of Round Rock Zoning Ordinance, including the definitions of apartment sizes, with the exception that parking may be provided at the following standards:

(a) 1.5 stalls for each one-bedroom unit; and

(b) 2 stalls for each two-bedroom unit.

Section 6.15 Flood Plain. No filling of any portion of the 100-year flood plain shall occur without prior written approval of the City of Round Rock flood plain administrator.

IN WITNESS WHEREOF, Developer has executed this Declaration to be effective this 19th day of January, 1987.

DEVELOPER:

CRYSTAL PARK ASSOCIATES, LTD.,
a California limited partnership

By: Emkay Development Company, Inc., a Nevada corporation, managing general partner

By: _____
Name: Emil J. Rothlisberger
Title: Assistant Secretary

CRYSTAL PARK APARTMENTS, LTD.,
a California limited partnership

By: Emkay Development Company, Inc., a Nevada corporation, managing general partner

By: _____
Name: Emil Rothlisberger
Title: Area Manager

LIENHOLDERS:

EMKAY DEVELOPMENT COMPANY, INC.,
a Nevada corporation

By: _____
Name: Emil Rothlisberger
Title: Area Manager

CITY OF ROUND ROCK

By: _____
Name: MIKE ROBINSON
Title: MAYOR

THE STATE OF COLORADO §

COUNTY OF Arapahoe §

This instrument was acknowledged before me on the 14th day of January, 1987, by Rothlisberger, Asst. Secretary of Emkay Development Company, Inc., a Nevada corporation, managing general partner of Crystal Park Associates, Ltd., a California limited partnership, on behalf of said partnership.

_____
Notary Public, State of Colorado

Boni G. Holt
(Name - Typed or Printed)

2 December 1987
Date Commission Expires

THE STATE OF COLORADO §

COUNTY OF Arapahoe §

This instrument was acknowledged before me on the 14th day of January, 1987, by Rothlisberger, Asst. Secretary of Emkay Development Company, Inc., a Nevada corporation, managing general partner of Crystal Park Apartments, Ltd., a California limited partnership, on behalf of said partnership.

_____
Notary Public, State of Colorado

Boni G. Holt
(Name - Typed or Printed)

2 December 1987
Date Commission Expires

THE STATE OF COLORADO §

COUNTY OF Arapahoe §

This instrument was acknowledged before me on the 14th day of January, 1987, by Eric J. Rothlisberger, Asst. Secretary of Emkay Development Company, Inc., a Nevada corporation, on behalf of said corporation.

Boni G. Holt
Notary Public, State of Colorado

Boni G. Holt
(Name - Typed or Printed)

2 December 1987
Date Commission Expires

THE STATE OF TEXAS §

COUNTY OF WILLIAMSON §

This instrument was acknowledged before me on the 22ND day of January, 1987, by MIKE ROBINSON, MAYOR of the City of Round Rock, a municipal corporation, on behalf of said corporation.

NOTARY PUBLIC STATE OF TEXAS

Deborah B. Huey
Notary Public, State of Texas

Deborah B. Huey
(Name - Typed or Printed)

5-30-89
Date Commission Expires

56980

CRYSTAL PARK (PROPOSED)
20.36 ACRES
OUT OF THE DAVID CURRY SURVEY
WILLIAMSON COUNTY

FN 0039 (MB)
NOVEMBER 11, 1985
EH&A JOB. NO. 6786-08

A DESCRIPTION OF A 20.36 ACRE TRACT OF LAND OUT OF THE DAVID CURRY SURVEY, ABSTRACT NO. 130, SITUATED IN WILLIAMSON COUNTY, TEXAS, THE SAID 20.36 ACRE TRACT BEING A PORTION OF THAT CERTAIN 140.67 ACRE TRACT OF LAND AS DESCRIBED IN DEEDS TO EMKAY DEVELOPMENT INC., OF RECORD IN VOLUME 1047 PAGE 721, VOLUME 1047 PAGE 701 AND VOLUME 953 PAGE 601 OF THE DEED RECORDS OF WILLIAMSON COUNTY, TEXAS THE SAID 20.36 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at an iron rod found for the most northeasterly corner of the said 140.67 acre tract, being the most northeasterly corner hereof;

THENCE with an east line of the said 140.67 acre tract, being an east line hereof, the following two (2) courses:

1. S 18°-27'-22" E, a distance of 374.50 feet to an iron rod found, and

2. S 18°-35'-32" E, a distance of 256.11 feet to an iron rod found for an inside corner of the said 140.67 acre tract, being an inside corner hereof;

THENCE with a north line of the said 140.67 acre tract, being a north line hereof, N 71°-35'-46" E, a distance of 401.04 feet to an iron rod found for an easterly corner of the said 140.67 acre tract, being an easterly corner hereof;

THENCE with the most easterly line of the said 140.67 acre tract, being the most easterly line hereof, S 18°-13'-15" E, 471.77 feet to an iron rod found for a point in the most easterly line of the said 140.67 acre tract for the southeast corner hereof;

THENCE departing the most easterly line of the said 140.67 acre tract and over and across the said 140.67 acre tract the following seven (7) courses and distances:

1. S 71°-33'-15" W, a distance of 610.25 feet to an iron rod found,

2. A distance of 9.31 feet with the arc of a curve to the left having a central angle of 00°-15'-32", a radius of 2060.00 feet, and a chord bearing of S 71°-25'-29" W, a distance of 9.31 feet to an iron rod found for a point of reverse curvature,

3. A distance of 37.75 feet with the arc of a curve to the right having a central angle of 86°-31'-09", a radius of 25.00 feet, and a chord bearing of N 65°-26'-43" W, a distance of 34.27 feet to a point of reverse curvature,

4. A distance of 364.07 feet with the arc of a curve to the left having a central angle of 48°-30'-37", a radius of 430.00 feet, and a chord bearing of N 46°-26'-27" W, a distance of 353.29 feet to an iron rod found for a point of tangency,

5. N 70°-41'-45" W, a distance of 509.54 feet to an iron rod found for a point of curvature,

6. A distance of 160.14 feet with the arc of a curve to the left having a central angle of 21°-20'-17", a radius of 430.00 feet, and a chord bearing of N 81°-21'-52" W, a distance of 159.22 feet to an iron rod set for point on the curve, and

7. N 03°-07'-27" W, a distance of 395.61 feet to an iron rod found on the north line of the said 140.67 acre tract for the northwest corner hereof;

CRYSTAL PARK (PROPOSED)
20.36 ACRES
OUT OF THE DAVID CURRY SURVEY
WILLIAMSON COUNTY

FN 0039 (MB)
NOVEMBER 11, 1985
EH&A JOB. NO. 6786-08

THENCE with the north line of the said 140.67 acre tract, being the north line hereof, the following two (2) courses and distances:

1. N 72°-12'-50" E, a distance of 106.81 feet to an iron rod found,

2. N 71°-21'-11" E, a distance of 743.85 feet to the POINT OF BEGINNING, containing 20.36 acres of land, more or less.

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

That I, Lawrence A. Hunt, a Registered Public Surveyor, do hereby certify that the above description was prepared from an on the ground survey under my direction and supervision and is true and correct to the best of my knowledge.

WITNESS MY HAND AND SEAL AT Austin, Travis County, Texas this the 11TH day of NOVEMBER, 1985, A.D.

Lawrence A. Hunt
Registered Public Surveyor
No. 4328 - State of Texas

STATE OF TEXAS
LAWRENCE A. HUNT
4328
REGISTERED PUBLIC SURVEYOR

STATE OF TEXAS COUNTY OF WILLIAMSON
I hereby certify that this Instrument was FILED on the date and at the time stamped hereon by me; and was duly RECORDED, in the Volume and Page of the named RECORDS of Williamson County, Texas, as stamped hereon by me, on

JUN 29 1987

COUNTY COURT WILLIAMSON COUNTY, TEXAS
COUNTY CLERK
WILLIAMSON COUNTY, TEXAS

FILED FOR RECORD
WILLIAMSON COUNTY, TX.
1987 JUN 26 PM 4:28
COUNTY CLERK

13486

BYLAWS OF
PUD #2 OWNERS ASSOCIATION, INC.

The name of the organization shall be the PUD #2 Owners Association, Inc. ("Association").

ARTICLE I
OBJECT

1. The purpose for which this non-profit corporation has been formed is to develop and maintain the Recreational Area [as defined in that certain Declaration of Covenants and Restrictions for PUD #2 (the "Declaration"), said Declaration being incorporated herein for all purposes] created in connection with the formation of PUD #2, a planned unit development established pursuant to City of Round Rock Ordinance #1203, and imposed on that certain tract of land (the "Property") situated in Williamson County, Texas, more fully described in the Declaration.

2. All present or future Owners, tenants, future tenants, or any other person that might use the Recreational Area of PUD #2 in any manner, are subject to the regulations set forth in these Bylaws. The mere acquisition, occupancy or rental of any of the real property in PUD #2 will signify that these Bylaws are accepted and ratified and that the Owner, tenant or occupant thereof will comply with the terms and provisions hereof.

3. Unless otherwise expressly provided herein, all terms used herein shall have the same meaning as those terms have in the Declaration.

ARTICLE II
MEMBERSHIP, VOTING, MAJORITY OF OWNERS, QUORUM, PROXIES

1. Membership. Each record owner ("Owner"), whether one or more persons or entities, of fee simple title to any part of the Property shall automatically become a member of the Association and be subject to these Bylaws. Membership in the Association shall terminate without any formal Association action whenever such person or entity ceases to own an interest in the Property, but such termination shall not relieve or release any such former Owner from any liability or obligation incurred under or in any way connected with the Association during the period of such ownership and membership, or impair any rights or remedies which the Board of Directors of the Association or others may have against such former Owner and member arising out of or in any way connected with such ownership and membership and the covenants and obligations incident thereto. No certificates of stock shall be issued by the Association, but the Board of Directors may, if it so elects, issue one membership card to the Owner(s) of a fee interest in the Property. Such membership card shall be surrendered to the Secretary whenever ownership of a fee interest in the Property as designated thereon shall terminate.

2. Voting. The Owner of a fee interest in the Property shall be entitled to one vote, for each 1000 square feet of the Property in which it holds an ownership interest required for membership in the Association. When more than one person or entity holds a fee interest in a portion of the Property, all such persons may exercise the voting power granted herein as they among themselves determine, but in no event shall more than one vote be counted with respect to each 1000 square feet of Property. Cumulative voting is prohibited.

3. Majority of Owners. As used in these Bylaws, the term "majority of Owners" shall mean those Owners representing more than fifty percent (50%) of the total value of all of the interests in the Property.

OFFICIAL RECORDS
WILLIAMSON COUNTY, TEXAS

4. Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of Owners representing more than ten percent (10%) of the total value of all of the interests in the Property constitute a quorum. Except as otherwise provided in the Declaration or these Bylaws, when a quorum of Owners is present at any meeting, a vote representing more than fifty percent (50%) of the value of the ownership interests represented at the meeting, either in person or by proxy, shall be sufficient to either defeat or approve any proposed action.

5. Proxies. Votes may be cast in person or by proxy. All proxies shall be in writing and filed with the Secretary at or before the appointed time of each meeting.

ARTICLE III
ADMINISTRATION

1. Association Responsibilities. The Owners have the responsibility of developing and maintaining the Recreational Area through its Board of Directors.

2. Place of Meetings. Meetings of the Association shall be held at such place as the Board of Directors may determine.

3. Annual Meeting. The first annual meeting of the Association shall be held within thirty (30) days after the sale by Declarant of a portion of the Property. Thereafter, the annual meetings of the Association shall be held on the first Monday of December of each succeeding year. At such meetings there shall be elected by ballot of the Owners a Board of Directors in accordance with the requirements of paragraph 5 of Article IV of these Bylaws. The Owners may also transact such other business of the Association as may properly come before them.

4. Special Meetings. The President may call a special meeting of the Owners if the President so desires. In addition, it shall be the duty of the President to call a special meeting of the Owners as directed by resolution of the Board of Directors or upon a petition signed by a majority of the Owners and having been presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of the Owners representing at least two-thirds (2/3) of the total value of all of the ownership interests present, either in person or by proxy.

5. Notice of Meetings. It shall be the duty of the Secretary to mail or deliver in person a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Owner of record, at least ten (10) but not more than fifty (50) days prior to such meeting. The mailing of a notice in the manner provided in this paragraph shall be considered notice served.

6. Order of Business. The order of business at all meetings of the Owners of Units shall be as follows:

(a) Roll call and certifying proxies. (b) Proof of notice of meeting or waiver of notice. (c) Reading of minutes of preceding meeting. (d) Reports of officers. (e) Reports of committees. (f) Election of directors. (g) Unfinished business. (h) New business.

ARTICLE IV
BOARD OF DIRECTORS

1. Number and Qualification. The affairs of this Association shall be governed by a Board of Directors composed of three (3) persons. The following persons shall act in such capacity and shall manage the affairs of the Association until the first annual meeting of the Association, or until they resign and their successors are elected, whichever occurs first, to wit: Gregory E. Crouch, Emil Rothlisberger, and Gary L. Cheek.

2. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and for the development and maintenance of the Recreational Area. The Board of Directors may do all such acts and things as are not by these Bylaws, the Articles of Incorporation or the Declaration directed to be exercised and done by the Owners. In addition to the express powers and duties of the Board of Directors granted in these Bylaws, the Articles of Incorporation and the Declaration, the Board of Directors shall, unless expressly prohibited by these Bylaws, the Articles of Incorporation or the Declaration, have all powers and authority granted to boards of directors of non-profit corporations organized under the laws of the State of Texas.

3. Other Powers and Duties. The Board of Directors shall additionally be empowered and shall have the duties as follows:

(a) To administer and enforce the covenants, conditions, restrictions, uses, limitations, obligations, and all other provisions as set forth in the Declaration, by suit or otherwise.

(b) To prepare a budget for the Association, and to fix, determine, levy and collect the monthly Assessments to be paid by each of the Owners towards the gross expenses of the Recreational Area and by majority vote of the Board to adjust, decrease or increase the amount of the monthly Assessments.

(c) To fix, determine, levy and collect in accordance with the Declaration the Special Assessments to be paid by each of the Owners.

(d) To collect delinquent Assessments by suit or otherwise and to enjoin or seek damages from an Owner as is provided in the Declaration and these Bylaws.

(e) To protect and defend the entire premises from loss and damage by suit or otherwise.

(f) To borrow funds in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the Declaration, the Articles of Incorporation and these Bylaws; to pledge or otherwise grant a security interest in the Association's Assessments to secure such indebtedness; and to execute all such instruments evidencing such indebtedness as the Board of Directors may deem necessary or appropriate. Such indebtedness shall be the several obligation of all of the Owners in the same proportion as their interest in the Property.

(g) To enter into contracts within the scope of their duties and powers.

(h) To establish one or more bank accounts, savings accounts or other investment accounts for the common treasury and for all separate funds which are required or may be deemed advisable by the Board of Directors.

(i) To keep and maintain full and accurate books and records showing all of the receipts, expenses or disbursements and to permit examination thereof at any reasonable time by each of the Owners and by holders, insurers and guarantors of first Mortgages on the Property, and to cause a complete audit of the books and accounts by an auditor not associated with PUD #2 at least once each fiscal year.

(j) To annually prepare and deliver upon request to each Owner and each holder, insurer or guarantor of a first Mortgage a statement summarizing all receipts, expenses or disbursements since the last such statement.

(k) To meet at least once each year.

(l) To designate and employ the personnel necessary for the maintenance and operation of the Recreational Area and of the business of the Association.

(m) In general, to carry on the administration of this Association and to do all of those things, necessary and reasonable for the development and maintenance of the Recreational Area.

4. Delegation of Powers - Managing Agent. Notwithstanding anything herein to the contrary, the Board of Directors may delegate any of its powers, duties or functions to a Managing Agent. The members of the Board of Directors shall not be liable for any omission or improper exercise by the Managing Agent of any such duty, power or function so delegated by written instrument executed by a majority of the Board of Directors. The Managing Agent, if any, shall be employed by the Association at a compensation to be established by the Board based upon the services, duties, and functions to be performed by the Managing Agent. Any such contract executed before control has passed from Declarant to the Association shall include a right of termination without cause and may not, with respect to such right of termination, require payment of a penalty or advance notice of more than 90 days.

5. Election and Term of Office. At the first annual meeting of the Association the Owners shall elect two (2) members of the Board of Directors for a term of two years and one (1) member of the Board of Directors for a term of one year. At each annual meeting thereafter, the Association shall elect such members of the Board of Directors for a term of two (2) years, as vacancies occur by expiration of any Director's term of office. The three (3) persons acting as the original Directors shall hold office until their successors have been elected and shall hold their first meeting pursuant to the terms and provisions of these Bylaws and the Declaration.

6. Vacancies. Vacancies on the Board of Directors caused by any reason other than the removal of a Director by a vote of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be appointed as a Director until the next annual meeting of the Association at which meeting his or her appointment shall be ratified or a successor shall be elected to serve the remaining term of his or her predecessor.

7. Removal of Directors. At any regular or special meeting duly called, any one or more of the Directors may be removed with or without cause by a majority of the quorum present, and a successor may then and there be elected to fill the vacancy thus created. If the vacancy is not then and there filled, it may be filled at any regular or special meeting called for the purpose, but in any event, such vacancy shall be filled at the next annual meeting of the Association. Any Director whose removal has been proposed by the Owners shall be given an opportunity to be heard at the meeting.

8. Organizational Meeting. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the Board of Directors in order legally to constitute such meeting, provided a majority of the whole Board shall be present.

9. Nomination. Nomination for election to the Board of Directors shall be made by a nominating committee which shall consist of a chairman who shall be a member of the Board and two or more Owners, who shall have been appointed by the Board of Directors prior to each annual meeting to serve from the close of each annual meeting until the close of the next annual meeting, and such appointment shall be announced at each annual meeting. Should a vacancy on the nominating committee occur during any year, the Board may fill such vacancy without further notice to the members of the Association. The nominating committee shall make as many nominations for election to the Board as it shall in its discretion determine, but not less than the number of vacancies to be filled. Nominations may also be made from the floor at the annual meeting.

10. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors, but at least one (1) such meeting shall be held during each fiscal year. The annual organizational meeting of the Board shall be considered a regular meeting. Notice of regular meetings of the Board of Directors (other than the organizational meeting) shall be given to each Director, personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting.

11. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days' notice to each Director, given personally, or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) Directors.

12. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof, unless such attendance is for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

13. Board of Directors' Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum

is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time without notice other than announcement at the meeting until a quorum is obtained. At any such meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

14. Fidelity Bonds. The Board of Directors shall require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

15. Compensation. No member of the Board of Directors shall receive any compensation for acting as such.

16. Actions Without a Meeting. Notwithstanding any other provision of these Bylaws, any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the members of the Board of Directors. Such consent shall have the same force and effect as a unanimous vote at a meeting.

ARTICLE V
OFFICERS

1. Designation. The officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by the Board of Directors. Any Director may hold a position as officer of the Association, and any person may hold two or more offices except that the President shall not also be a Secretary.

2. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board and shall hold office at the pleasure of the Board.

3. Removal of Officers. Upon any affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and a successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose.

4. President. The President shall be the chief executive officer of the Association and shall preside at all meetings of the Association and of the Board of Directors. The President shall have all of the general powers and duties which are usually vested in the office of president of an association, including but not limited to the power to appoint committees from among the Owners from time to time as are appropriate to assist in the conduct of the affairs of the Association. The President shall sign, with the Secretary or an Assistant Secretary, certificates of membership, any deeds, mortgages, bonds, contracts, leases, or other instruments which the Board of Directors has authorized, except in cases where the signing and execution thereof has been expressly delegated by the Board of Directors to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed. The President shall not have the power to bind the Association to any employment agreement on behalf of the Association unless such employment agreement has been expressly approved and authorized in advance by resolution of the Board of Directors. In the event any such employment agreement (whether or not these Bylaws be amended incident thereto) limits or qualifies the authority of any such officer in a manner inconsistent with these Bylaws or imposes on such officer duties not provided for under these Bylaws, then the provisions of such employment

agreement limiting or qualifying such authority and imposing such duties shall be valid and effective notwithstanding any inconsistency between the provisions of the employment agreement and the provisions of these Bylaws.

5. Vice President. The Vice President shall have all the powers and authority to perform all the functions and duties of the President, in the absence of the President, or inability by the President for any reason to exercise such powers and functions or perform such duties, and also perform any duties the Vice President is directed to perform by the President or the Board of Directors.

6. Secretary. The Secretary shall: (i) keep all the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association in books provided for that purpose; (ii) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (iii) be custodian of the Board's and Association's records and books and of the seal of the Association and see to it that the seal of the Association is affixed to all certificates of membership prior to the issuance thereof and to all documents which are duly authorized to be executed, on behalf of the Association under its seal in accordance with the Bylaws; (iv) keep a register of the post office address of each Owner; (v) keep records of and send notices to Mortgagees as required by these Bylaws and the Declaration; (vi) sign with the President all certificates of membership, the issuance of which shall be approved by the Board of Directors; and (vii) in general, perform all the duties incident to the office of Secretary and as may be assigned to him or her by the President or by the Board of Directors.

The Secretary shall compile and keep up to date at the principal office of the Association a complete list of members and their last known addresses as shown on the records of the Association. Such list shall be open to inspection by members and other persons lawfully entitled to inspect the same at reasonable times during regular business hours. The address of each member shown in such list shall be the address to which all notices shall be sent.

7. Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts, as designated by the Board of Directors, all funds of the Association and shall disburse such funds as directed by resolution of the Board of Directors; provided, however, that a resolution of the Board of Directors shall not be necessary for disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the Board of Directors and in an amount not to exceed the sum of two hundred dollars ($200.00). In addition, the Treasurer shall have authority to: sign all checks and promissory notes of the Association; keep full and accurate accounts of all receipts and disbursements in proper books of account; cause the preparation of an annual statement of the Association's books at the completion of each fiscal year; prepare an annual budget and a statement of income and expenditures to be presented to the membership of the Association at its regular annual meeting, and deliver copies thereof to the members; and perform all other duties incident to the office of Treasurer or assigned by the Board of Directors.

8. Additional Officers. Officers in addition to the President, Vice President, Secretary and Treasurer may be appointed by the Board of Directors and shall hold the offices for such terms and shall have such authority and exercise such powers and perform such duties as shall be determined from time to time by the Board by resolution not inconsistent with these Bylaws. The Assistant Secretaries as thereunto authorized by the Board of Directors may sign, with the President,

certificates of membership, the issue of which shall have been authorized by a resolution of the Board of Directors. The Assistant Treasurers shall, if required by the President or Board of Directors, give bonds for the faithful discharge of their duties in such sums and with such sureties as the President or Board of Directors shall determine. The Assistant Treasurers and Assistant Secretaries, in general, shall perform such duties as shall be assigned to them by the Treasurer or the Secretary, respectively, or by the President or by the Board of Directors.

9. Vacancies. A vacancy in any office because of the death, resignation, removal, disqualification or otherwise of the officer previously filling such office, may be filled by the Board of Directors for the unexpired portion of the term.

ARTICLE VI
INDEMNIFICATION OF OFFICERS AND DIRECTORS

The Association shall indemnify every Director, officer, committee member, or agent, and his or her heirs, executors and administrators, against all loss, costs and expense, including counsel fees, reasonably incurred in connection with any action, suit or proceeding to which he or she may be made a party by reason of being or having been a Director, officer, committee member or agent of the Association, except as to matters as to which he or she shall be adjudged to be guilty of negligence or willful misconduct with respect to duties involved in the conduct of office. As used herein, the term "adjudged" means a determination made by a majority of the Board of Directors not involved in the matter in controversy (whether or not a quorum), by independent counsel selected by the Board of Directors or by a court of competent jurisdiction.

All liability, loss, damage, costs and expenses incurred or suffered by the Association by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as an expense of the Association; provided, however, that nothing contained in this Article VI shall be deemed to obligate the Association to indemnify any member or Owner who is or has been a Director, officer, committee member, or noncompensated agent of the Association, with respect to any duties or obligations assumed or liabilities incurred under and by virtue of the Declaration as a member of the Association or Owner covered thereby.

The rights of indemnification herein provided may be insured against by policies maintained by the Association; shall be severable; shall not affect any other rights to which any Director, officer, committee member, or agent may now or hereafter be entitled; shall continue as to a person who has ceased to be such Director, officer, committee member, or agent; and shall inure to the benefit of the heirs, executors and administrators of such a person. Nothing contained herein shall affect any rights to indemnification to which Association personnel other than members of the Board of Directors, officers, committee members, or noncompensated agents may be entitled by contract or otherwise under law.

Expenses in connection with the preparation and presentation of a defense to any claim, action, suit or proceeding of the character described in this Article VI may be advanced by the Association prior to final disposition hereof upon receipt of an undertaking by or on behalf of the person who may be entitled to indemnification, secured by a surety bond or other suitable insurance issued by a company authorized to conduct such business in the State of Texas, to repay such amount if it is ultimately determined that such person is not entitled to indemnification under this Article.

ARTICLE VII
OBLIGATIONS OF THE OWNERS

1. Assessments. All Owners shall be obligated to pay the monthly and special Assessments imposed by the Association to meet the expenses of the Association. The Assessments shall be made according to the number of square feet of the Property owned by each Owner (exclusive of those portions contained within a publicly dedicated street or roadway or within a Common Area) and shall be levied in accordance with the Declaration. A member shall be deemed to be in good standing and entitled to vote at any annual or at a special meeting of members, within the meaning of these Bylaws, if and only if the member shall have fully paid all Assessments made or levied against such Owner.

2. Mechanic's Lien. Each Owner agrees to indemnify and to hold each of the other Owners harmless from any and all claims of mechanic's lien filed against all or any part of the Property for labor, materials, services or other products furnished to an Owner. In the event suit for foreclosure is commenced, then within ten (10) days thereafter such Owner shall be required to deposit with the Association cash or negotiable securities equal to double the amount of such claim plus interest at the rate of ten percent (10%) per annum for one year together with a sum equal to ten percent (10%) of the amount of such claim but not less than One Hundred Fifty and No/100 Dollars ($150.00), which latter sum may be used by the Association for any costs and expenses incurred, including attorney's fees. Except as is otherwise provided, such sum or securities shall be held by the Association pending final adjudication or settlement of the litigation. Disbursement of such funds or proceeds shall be made to insure payment of or on account of such final judgment or settlement. Any deficiency, including attorney's fees, shall be paid forthwith by the subject Owner, and such Owner's failure to so pay shall entitle the Association to make such payment, and the amount thereof shall be a debt of the Owner and a lien against his fee interest in the Property which may be foreclosed as is provided in the Declaration. Such Owner shall be liable to the Association for payment of interest at the highest rate permitted by applicable law on all such sums paid by the Association until the date of repayment by such Owner.

3. General.

(a) Each Owner shall comply strictly with the provisions of the Declaration, the Articles of Incorporation and these Bylaws and amendments and supplements thereto.

(b) Each Owner shall always endeavor to observe and promote the cooperative purposes for the accomplishment of the objectives for which the Recreational Area was established.

4. Use of Recreational Area. Each Owner may use the Recreational Area in accordance with the purpose for which it was intended without hindering or encroaching upon the lawful rights of the other Owners; provided, however, that the Board of Directors may suspend an Owner's right to use any facilities located in the Recreational Area (i) for any period during which any assessment against such Owner's fee interest in the Property remains unpaid for more than thirty (30) days after it is due, or (ii) for a period not to exceed thirty (30) days because of any infraction of the Association's rules and regulations by the Owner, or such Owner's invitees, licensees, tenants, agents or employees.

5. Rules and Regulations. All Owners and occupants of PUD #2 shall promptly and completely comply with each of the rules and regulations herein contained or hereafter properly adopted for the utilization of the Recreational Area, in order that all

Owners and their guests shall achieve maximum utilization of the Recreational Area consistent with the rights of each of the other Owners thereto.

ARTICLE VIII
AMENDMENTS TO BYLAWS

These Bylaws may be altered, amended, or repealed and new Bylaws may be adopted by a majority of the Directors or Owners present at any regular meeting of the Board or the Association or at any special meeting, if written notice is given of an intention to alter, amend, or repeal these Bylaws or to adopt new Bylaws at such meeting.

ARTICLE IX
MORTGAGES

1. Notice to Association. An Owner who mortgages his fee interest in the Property shall notify the Association through the Managing Agent, if any, the President, or the Board of Directors, giving the name and address of his Mortgagee.

2. Notice of Unpaid Assessments. The Association shall at the request of a Mortgagee of the Property report any unpaid assessments due from the Owner of the Property.

ARTICLE X
NON-PROFIT ASSOCIATION

This Association is not organized for profit. No member, member of the Board of Directors or person from whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to, or be distributed to, or inure to the benefit of any member of the Board of Directors; provided, however, always (1) that reasonable compensation may be paid to any member while acting as an agent or employee of the Association for services rendered in effecting one or more of the purposes of the Association, and (2) that any member of the Board of Directors may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

ARTICLE XI
REGISTERED OFFICE

The initial Registered Agent shall be Greg Crouch whose address is c/o Emkay Development Company, Inc., P.O. Box 569, Austin, Texas 78680. The Registered Agent may resign upon delivery of written notice to the Association.

ARTICLE XII
TRANSACTIONS WITH MEMBERS, DIRECTORS AND OFFICERS

The Association may enter into contracts or transact business with one or more of its Directors, officers, or members, or with any firm of which one or more of its Directors, officers or members are members, or with any corporation, association, company, organization or entity in which one more of its Directors, officers or members are directors, officers, trustees, shareholders, beneficiaries or are otherwise interested, and in the absence of fraud, such contract or transaction shall not be invalidated or affected by the fact that such Directors, officers or members having such adverse interest may have been necessary to obligate the Association upon such contract or transaction.

ARTICLE XIII
EXECUTION OF DOCUMENTS

The persons who shall be authorized to execute any and all contracts, documents, instruments of conveyance or encumbrances, including promissory notes, shall be the President or any Vice President and the Secretary or any Assistant Secretary of the Association.

ARTICLE XIV
ABATEMENT AND ENJOINMENT OF VIOLATIONS BY OWNERS

The violation of any rule or regulation promulgated by the Board of Directors, or the breach of any Bylaws, or the breach of any provision of the Declaration, shall give the Board of Directors or the Managing Agent the right, in addition to any other rights set forth therein, to enjoin, abate, or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach.

ARTICLE XV
CASUALTY LOSS/INSUFFICIENT INSURANCE PROCEEDS

In the event of fire, casualty or other disaster involving damage to the Recreational Area in which the proceeds from casualty insurance are insufficient to reconstruct the Recreational Area as provided in the Declaration, the damage or destruction thereof, subject to the provisions of the Declaration, shall be repaired and restored by the Association, or its duly authorized agents, using proceeds of insurance, if any, on the Recreational Area for that purpose, and the Owners shall be liable for a special Assessment for any deficiency as provided in the Declaration.

ARTICLE XVI
NOTICES

All notices to members of the Association shall be given by delivering the same to each Owner in person, or by depositing the notices in the U.S. mail, postage prepaid, addressed to each Owner at the address last given by each Owner to the Secretary of the Association. All Owners shall be deemed to have been given notice of the meetings upon the proper mailing of the notices to such addresses irrespective of the actual receipt of the notices by the Owners.

ARTICLE XVII
SEVERABILITY

The invalidity of any provision or provisions of these Bylaws shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder of these Bylaws, and in such event, all of the other provisions of these Bylaws shall continue in full force and effect as if such invalid provision had never been included herein.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands on this the 16 day of January, 1987.

BOARD OF DIRECTORS

By: _____
Gregory E. Crouch

By: _____
Emil Rothlisberger

By: _____
Gary L. Cheek

THE STATE OF TEXAS

COUNTY OF WILLLIAMSON

BEFORE ME, the undersigned authority, on this day personally appeared Gregory E. Crouch, known to me to be the person whose name is subscribed to the foregoing instrument as Director, PUD #2 Owners Association, Inc. and he acknowledged to me to be that he executed the same for the purposes and considerations therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 16th day of January, A.D. 1987.

Scotty C. Muenchow

Notary Public in and for Williamson County, Texas

NOTARY PUBLIC STATE OF TEXAS
SCOTTY C. MUENCHOW
Notary Public, State of Texas
My Commission Expires Nov. 14, 1989

THE STATE OF TEXAS

COUNTY OF WILLIAMSON

BEFORE ME, the undersigned authority, on this day personally appeared Emil Rothlisberger, known to me to be the person whose name is subscribed to the foregoing instrument as Director, PUD #2 Owners Association, Inc., and he acknowledged to me that he executed the same for the purposes and considerations therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 16th day of January, A.D., 1987.

Scotty C. Muenchow

Notary Public in and for Williamson County, Texas

NOTARY PUBLIC STATE OF TEXAS
SCOTTY C. MUENCHOW
Notary Public, State of Texas
My Commission Expires Nov. 14, 1989

THE STATE OF TEXAS

COUNTY OF WILLIAMSON

BEFORE ME, the undersigned authority on this day personally appeared Gary L. Creek, known to me to be the person whose name is subscribed to the foregoing instrument as Director, PUD #2 Owners Association, Inc., and he acknowledged to me that he executed the same for the purposes and considerations therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 16th day of January, A.D., 1987.

Scotty C. Muenchow

Notary Public in and for Williamson County, Texas

NOTARY PUBLIC STATE OF TEXAS
SCOTTY C. MUENCHOW
Notary Public, State of Texas
My Commission Expires Nov. 14, 1989