

27179

**DECLARATION OF COVENANTS,  
CONDITIONS AND RESTRICTIONS**

**AND**

**HOMEOWNERS ASSOCIATION**

**FOR**

**PHASE 1  
CASTLE HILL ESTATES**

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**FIRST AMENDMENT TO THE DECLARATION OF COVENANTS, CONDITIONS AND  
RESTRICTIONS AND HOMEOWNERS ASSOCIATION  
PHASE 1 CASTLE HILL ESTATES  
DATED: OCTOBER 12, 1999**

This first amendment is made this 18 day of January, 2000 to the Declaration of Covenants, Conditions and Restrictions and Homeowners Association for Phase 1 of The Castle Hill Estates Subdivision, Burleson, Texas.

**RECITAL**

Where as, on October 20, 1999 the Declaration of Covenants, Conditions and Restrictions and Homeowners Association for Phase 1 of The Castle Hill Estates Subdivision, Burleson, Texas, was recorded in the Johnson County Real Estate records Book 2396, Pages 0032 through 0054.

Where as, on October 19, 1999 the Declaration of Covenants, Conditions and Restrictions and Homeowners Association for Phase 1 of The Castle Hill Estates Subdivision, Burleson, Texas, was recorded in the Tarrant County Real Estate records Book 14058 Pages 207 through 222

Where as, the Declarant now makes the following modifications to the above document:

**Add: Paragraph 5.4(b)**

The Association shall be responsible for the maintenance, repair and replacement of all stop signs, street signs and street name signs within the subdivision.

**Add: Paragraph 5.5(a)**

The Association shall be responsible for the maintenance and repairs of the concrete drainage flume located between Lots 35 and 36 of Block 4.

**Paragraph 7.5 is hereby amended to read:**

The total air-conditioned living area of the main residential structure, as measured to the outside of exterior walls, but exclusive of open perches, garages, patios, and detached accessory buildings, shall not be less than 1,850 square feet for Lots less than 11,000 square feet and less than 2,100 square feet for Lots greater than 11,000 square feet. Notwithstanding any provision hereof to the contrary, the minimum floor area of a residential structure shall be not less than the minimum, habitable floor area as specified by the applicable governmental authority At the time of construction.

All other provisions remain unchanged.


**DECLARANT:**

**BROWNS MOUNTAIN LTD.**  
A Texas Limited Partnership  
Argus Development Company of Texas, Inc.  
General Partner

BY:  VC  
Jeffrey Jesionowski, Vice President

FILED FOR RECORD 8:20 AM

JAN 24 2000

COUNTY CLERK JOHNSON COUNTY  
BY  DEPUTY

ACKNOWLEDGMENT

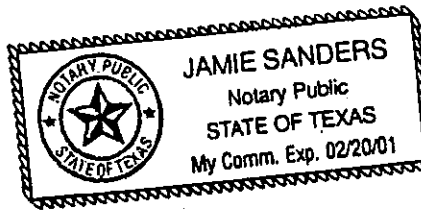
STATE OF TEXAS

COUNTY OF Tarrant

BEFORE ME, the undersigned authority, in and for said County, Texas, on this day personally appeared Jeffrey Jesionowski, Vice President of Argus Development C. of Texas, Inc., General Partner of Brown's Mountain LTD. known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same on behalf of said corporation and for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, on January 18, 2000.

*Jamie Sanders*  
NOTARY PUBLIC, STATE OF TEXAS  
PRINTED NAME OF NOTARY



MY COMMISSION EXPIRES:

(NOTARY SEAL)

*Return to*  
FIDELITY NATIONAL TITLE  
118 S. TEXAS STREET  
CROWLEY, TX 76036

# DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR PHASE 1 CASTLE HILL ESTATES

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR **PHASE 1 CASTLE HILL ESTATES** ("Declaration") IS MADE THIS 12<sup>th</sup> DAY OF OCTOBER, 1999, BY **BROWNS MOUNTAIN LTD.** ("Declarant").

## RECITALS

A. Declarant is the Owner of certain land (the "Property") situated in the City of Burleson in Tarrant and Johnson Counties, Texas, which is described in Exhibit "A" attached hereto and incorporated herein by this reference.

B. Declarant intends to develop and improve the Property as a residential community to be known as **PHASE 1 CASTLE HILL ESTATES**.

C. Declarant intends that the Property shall be developed and improved in accordance with a common scheme and general plan. Declarant desires to subject the Property to the covenants, conditions, restrictions, easements, liens, charges, assessments and equitable servitudes set forth herein, for the benefit of the Property and each Owner thereof.

D. Declarant deems it desirable to incorporate Castle Hill Homeowners Association, Inc. as a non-profit corporation under the laws of the State of Texas for the purposes of administering and enforcing the limitations, covenants, conditions, restrictions, easements, liens and equitable servitudes created by or imposed in accordance with the provisions hereof, collecting and disbursing the assessments and charges imposed in accordance with the provisions hereof, and exercising such other powers as may be authorized by this Declaration, by law, or by its Articles of Incorporation and By-Laws.

NOW, THEREFORE, Declarant hereby declares as follows:

## ARTICLE I - DEFINITIONS

The following terms shall have the following meanings when used in this Declaration:

- 1.1 Association. "Association" means Castle Hill - Burleson Homeowner's Association and its successors and assigns.
- 1.2 Board. "Board" means the Board of Directors of the Association.
- 1.3 Builder. "Builder" means a person who acquires a Lot for the purpose of constructing a dwelling thereon for sale to another person.
- 1.4 City. "City" means the City of Burleson in Tarrant and Johnson Counties in the State of Texas.
- 1.5 Committee. "Committee" means the Architectural Control Committee established and empowered as provided in Article VIII hereof.
- 1.6 Common Area. "Common Area" means all property, whether, improved or unimproved, real and personal, or any easement, use, right, maintenance obligation, or other property right, or obligation therein, owned or held by the Association for the common use, enjoyment, or obligation of its Members, including without limitation (i) any Recreational Common Area, (ii) any Project screening or decorative wall designated for common maintenance by Declarant, (iii) any Project entrance monuments, right-of-way

landscaping, irrigation systems, drainage facilities, and such other Improvements and facilities lying within or upon land owned by the Association or any easements for the benefit of the Association or lying within dedicated public easements or rights-of-way within or adjacent to the Project as may be designated by the City for Association maintenance or as deemed appropriate by the Board for the preservation, protection and enhancement of the Project. Common Area shall include those areas of the Property designated as such on the subdivision plats of Phase 1 Castle Hill Estates as recorded in the Plat Records of the Counties, and on the recorded subdivision plats of any other land to which the jurisdiction of the Association shall be extended in accordance with the provisions of this Declaration.

1.7 Counties. "Counties" means Tarrant & Johnson Counties in the State of Texas.

1.8 Declarant. "Declarant" means Brown's Mountain Ltd., a Texas Limited Partnership, and any successor or assign to who it assigns its interest as Declarant hereunder in whole or in part by instrument recorded in the official records of the Counties.

1.9 Declaration. "Declaration" means this Declaration and all amendments or supplements hereto.

1.10 Improvement. "Improvement" means every structure and all appurtenances thereto of every type and kind, including but not limited to buildings, outbuildings, storage sheds, patios, swimming pools, garages, storage buildings, fences, screening walls, retaining walls, stairs, decks, poles, signs, exterior air conditioning, antennas, towers, and any facilities used in connection with water, sewer, gas, electric, telephone, regular or cable television, or other utilities.

1.11 Lot. "Lot" means any numbered lot together with any improvements thereon, as delineated by any recorded final subdivision plat of the Property or a part thereof, which contains or is intended to contain a single family residential dwelling.

1.12 Member. "Member" means a member of the Association.

1.13 Owner. "Owner" means the record Owner, whether one or more persons or entities, of a fee simple title to any Lot, and shall include, Declarant as to any Lot owned by Declarant. "Owner" shall not include any person or entity that holds an interest in a Lot merely as security for the performance of an obligation or as a tenant.

1.14 Property. "Property" means the land which is described on Exhibit "A" and such other land to which the jurisdiction of the Association shall be extended in accordance with the provisions of this Declaration.

1.15 Project. "Project" means the planned community which shall be developed and constructed as a single-family subdivision and which shall include, a subdivision of a portion of the Property into Lots, streets and Common Areas in accordance with a certain plat bearing said name and recorded in the Plat Records of the Counties and such other land to which the jurisdiction of the Association shall be extended in accordance with the provisions of this Declaration.

1.16 Recreational Common Area. "Recreational Common Area" means all property, whether improved or unimproved, real and personal, or any easement, use, maintenance obligation, or other property right or obligation therein, owned or held by the Association for recreational purposes, including, without limitation, (i) any rights of use or occupancy in recreational property or facilities acquired by lease, license, or other use agreement and (ii) such portion of the Project which Declarant shall complete and convey or cause to be conveyed to the Association for the common use and enjoyment of its Members for recreational purposes, together with any and all improvements constructed thereon.

## ARTICLE II - SUBMISSION; AMENDMENT; ANNEXATION

2.1 Submission. The Property shall be held, conveyed, hypothecated, encumbered, sold, leased, rented, used, occupied and improved subject to each and all of the limitations, covenants, conditions, restrictions, easements, liens, charges, assessments and equitable servitudes set forth herein, all of which are

declared to be (i) in furtherance of a common scheme and general plan for the development, improvement and maintenance of the Project and (ii) for the purpose of enhancing, maintaining and protecting the value, desirability and attractiveness of the Project. All of the limitations, covenants, conditions, restrictions, easements, liens, charges, assessments and equitable servitudes set forth herein shall run with, be binding upon and inure to the benefit of the Property, shall be binding on and inure to the benefit of each and every person having or acquiring any right, title or interest in the Property shall be binding upon and inure to the benefit of the successors in interest of such persons, and shall inure to the benefit of the Association, its successors and assigns.

**2.2 Incorporation of Declaration into Instruments.** Any deed or other instrument by which the Property or any portion thereof is conveyed shall be subject to the provisions of this Declaration and shall be deemed to incorporate the provisions of this Declaration, whether or not the deed makes reference hereto.

**2.3 Term.** This Declaration shall remain in force for a term of twenty (20) years from the date this Declaration is recorded, after which time it shall be automatically extended for continuous successive periods of ten (10) years, unless sooner terminated by the affirmative vote of at least seventy-five percent (75%) of all votes of each class of Members of the Association.

**2.4 Amendment.** This Declaration may be amended in any respect and in whole or in part at any time upon approval of such amendment by at least seventy-five percent (75%) of all votes of each class of Members of the Association and upon recordation of such amendment in the Real Property Records of the Counties provided, however, that no such amendment shall be valid or effective without the joinder of Declarant until the earlier of (i) the construction of dwellings on all Lots within the Property, or (ii) seven (7) years after the first Lot with a dwelling thereon is conveyed to an Owner for use as a residence. To the extent required by applicable regulations promulgated by the Federal Housing Administration ("FHA") or the Veterans Administration ("VA"), amendments shall be subject to prior approval of FHA and VA.

**2.5 Right to Annex.** Declarant shall have the right to annex to the Property and thereby bring within the scheme of this Declaration and subject to the jurisdiction of the Association part or that entire tract of land described on Exhibit "B" attached hereto. Annexation of any land other than that described on Exhibit "B" shall require the vote or written consent of at least sixty-seven percent (67%) of all votes of each class of Members. Notwithstanding any provision hereof to the contrary, so long as Declarant or its assignee shall own any portion of the land described on Exhibit "B", Declarant (or its assignee) may cause any portion of the land described on Exhibit "B" which it owns and which has not been previously annexed to be released or excluded from the land which may be annexed by filing an instrument to such effect in the Real Property Records of the Counties, which instrument shall cross reference the recording information of this Declaration.

**2.6 Procedure for Annexation.** Annexation of additional property may be accomplished in phases. Any annexation shall be made by recordation in the Real Property Records of the Counties of a Supplemental Declaration covering the land to be annexed. The Supplemental Declaration shall describe the land to be annexed and state that annexation is being made pursuant to this Declaration for the purpose of extending the jurisdiction of the Association to cover the land being annexed. The Supplemental Declaration may contain such complementary additions and modifications to the terms of this Declaration as may be necessary or desirable to reflect the different character, if any, of the land being annexed and as are not inconsistent with the general scheme of this Declaration. Annexation shall be effective upon recordation of the Supplemental Declaration.

**2.7 No Duty to Annex.** Nothing herein contained shall establish any duty or obligation on the part of Declarant or any member to annex any property to this Declaration and no Owner of the property excluded from this Declaration shall have any right to have such property annexed thereto.

**2.8 FHA/VA Approval.** Notwithstanding any provision of Section 2.5 or 2.6 to the contrary, if any Lot in the Project is subject to a FHA or VA mortgage loan, any annexation shall be subject to approval of FHA and VA. Declarant, or the Association shall submit a written request for annexation to FHA and VA accompanied by a copy of the Supplemental Declaration. If neither FHA nor VA delivers notice of objection to the annexation within fifteen (15) days of the date of Declarant's request for approval, such approval shall be deemed to have been granted.

### ARTICLE III - MEMBERSHIP AND VOTING RIGHTS

3.1 Governing Body. The Association shall be the governing body for all Owners with respect to the management, administration, maintenance, repair and replacement of the Project, as provided by this Declaration and the Articles of Incorporation and the By-Laws of the Association.

3.2 Membership. Membership in the Association shall be composed of and limited to Owners. Each Owner, including Declarant, shall automatically be a Member of the Association and entitled to vote as set forth below. Membership shall be appurtenant to and may not be separated from Ownership of a Lot. Upon termination of Ownership, an Owner's membership shall automatically terminate and be automatically transferred to the new Owner of the Lot.

3.3 Voting. The Association shall have two classes of voting membership.

Class A. Class A Members shall be all Owners with the exception of Declarant; provided, however, that Declarant shall become a Class A Member when its Class B Membership ceases as provided hereinafter. Class A Members shall be entitled to one (1) vote for each Lot owned. When more than one person holds an Ownership interest in any Lot, all such persons shall be Members, but no more than one vote shall be cast with respect to any Lot. The vote for any such Lot shall be exercised as the Members holding an interest in such Lot determine among themselves. In the event of disagreement, the decision of Members holding a majority of interest in such Lot shall govern unless the Association is otherwise notified by a co-owner as to a dispute between the co-owner regarding their vote prior to the casting of that vote, the vote of any co-owner shall be conclusively presumed to be the majority vote of the Owners of that Lot.

Class B. Class B Member shall be Declarant and shall be entitled to three (3) votes for each Lot owned; provided that Declarant's Class B membership shall cease and be converted to Class A membership when the total votes outstanding in the Class A membership equal the total number of votes outstanding in the Class B membership. In determining the number of Lots owned by Declarant for the purpose of Class B membership status hereunder, the total number of Lots covered by this Declaration, including all Lots annexed thereto, shall be considered. If Class B membership has previously lapsed, but annexation of additional property restores the ratio of Lots owned by Declarant to the number required for Class B membership, such Class B Membership shall be reinstated until it expires pursuant to the terms hereof.

3.4 Board of Directors. (a) The Members of the Association shall elect the Board subject to the provisions of subparagraph (b) hereof, and the Board shall, by majority rule, conduct all of the business of the Association, except when membership votes are required pursuant to this Declaration or pursuant to the Articles of Incorporation or By-Laws of the Association. (b) Notwithstanding anything contained in the preceding subparagraph (a) or elsewhere in this Declaration to the contrary, as long as the Declarant owns any Lot(s) in the Property, the Declarant shall be entitled to appoint at least one (1) member of the Board.

3.5 By-Laws. The Association may make and enforce whatever rules and By-Laws it deems desirable to govern the Association and its members, including, without limitation, enforcement through the imposition of fines; provided however any conflict between such By-Laws and the provisions hereof shall be controlled by the provisions of this Declaration.

3.6 Inspection Rights. Each Owner shall have the right to inspect and examine the books, records and accounts of the Association at reasonable times upon reasonable written notice, provided that such inspection and examination shall be at such Owner's sole cost and expense.

3.7 Control by Declarant. Notwithstanding any other provision to the contrary in this Declaration or the Articles of Incorporation or the By-Laws of the Association, Declarant hereby retains the right to appoint and remove any and all directors comprising the Board and any officer or officers of the Association until ninety (90) days after the earlier of (i) the conveyance by Declarant of seventy-five percent (75%) of all Lots in the Project, or (ii) seven (7) years after the first Lot with a dwelling thereon is conveyed to an Owner for use as a residence; or the surrender by Declarant of the authority, to appoint and remove directors and officers as evidenced by an instrument setting forth such surrender, referring, to this Declaration, executed by Declarant, and recorded in the Real Property Records of the Counties. In determining the number of Lots owned by Declarant for purposes hereof, the total number of Lots covered by this Declaration, including Lots annexed hereto, shall be considered. If Declarant's right to control the Board hereunder shall have previously lapsed, but annexation of additional property restores the ratio of Lots owned by Declarant to

the number required, for Board control hereunder, such Declarant control shall be, reinstated until it expires pursuant to the terms hereof. Upon the expiration of the period of Declarant's right to appoint and remove directors and officers of the Association pursuant to the provisions of this Section, such right shall automatically pass to the Owners, including Declarant if Declarant then owns one or more Lots; and a special meeting of the Association shall be called for and held within ninety (90) days from the date of the expiration of Declarant's rights hereunder. At such special meeting the Owner shall elect a new Board which shall undertake the responsibilities of running the Association and Declarant shall deliver the books, accounts, and records, if any, which Declarant has kept on behalf of the Association as well as any agreements or contracts executed by or on behalf of the Association which may still be in effect or operation.

#### ARTICLE IV - COVENANTS FOR ASSESSMENTS

4.1 Covenant to Pay Assessments: Lien. Subject to the terms of this Article, Declarant, for each Lot owned by Declarant, hereby covenants to pay, and every Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, covenants and agrees to pay to the Association such regular annual assessments or charges and such special assessments or charges as may be levied by the Association pursuant to the provisions of this Declaration. The amount of any such annual or special assessment plus any other charges thereon, such as interest, late charges and costs (including attorneys fees) as such may be provided in this Declaration, shall be secured by a lien on such Lot in favor of the Association. Such lien shall be superior to all other liens and encumbrances on such Lot, except for (a) liens for ad valorem taxes, or (b) liens for all sums unpaid on a debt validly secured by a mortgage or deed of trust duly recorded in the land records of the Counties (and all amounts advanced pursuant to such mortgage or deed of trust and secured thereby in accordance, with the terms of such instrument). All other persons acquiring liens or encumbrances on any Lot shall be deemed to consent that: such liens or encumbrances are inferior to the lien provided herein to secure the payment of future assessments, as provided herein, whether or not prior consent is specifically set forth in the instruments creating such liens or encumbrances.

Although no further action is required to create or perfect the lien the Association may, as further evidence and notice of the lien, execute and record a document setting forth as to any Lot the amount of the delinquent sums due the Association at the time such document is executed and the fact that a lien exists to secure the repayment thereof. However, the failure of the Association to execute and record any such document shall not, to any extent, affect the validity, enforceability or priority of the lien. The lien may be foreclosed through judicial or nonjudicial foreclosure proceedings in accordance with Texas Prop. Code Ann. Section 51.002 et. Seq. (Vernon 1984), as it may be amended (the "Foreclosure Statute"), in like manner for any deed of trust on real property. In connection with the lien created herein, each Owner of a Lot hereby grants to the Association, whether or not it is so expressed in the deed or other conveyance to such Owner, a power of sale to be exercised in accordance with the Foreclosure Statute.

The Association, acting on behalf of the Owners, shall have the power to bid on the Lot at any foreclosure sale or to acquire, hold, lease, mortgage or convey the same. The Association may sue for unpaid assessments and other charges without foreclosing or waiving the lien securing the same.

The sale or transfer of any Lot shall not affect the assessment lien or relieve such Lot from the lien for any subsequent assessments. However, the sale or transfer of any Lot pursuant to foreclosure of a mortgage or deed of trust lien shall extinguish the lien as to any installments of such assessments due prior to such sale or transfer. A mortgage or other purchaser of a Lot who obtains title pursuant to foreclosure of the mortgage or deed of trust shall not be personally liable for assessments on such Lot due prior to such acquisition of title. Such unpaid assessments shall be deemed to be common expenses collectable from Owners of all Lots subject to assessment under this Declaration, including such acquirer, its successors and assigns.

4.2 Personal Obligation. Each regular annual or special assessment, together with any late charges, interest, collection costs and reasonable attorneys, fees, shall be the personal obligation of each person or entity, other than the holder of a mortgage or deed of trust lien, who held an Ownership interest in the Lot at the time such assessment was levied. If more than one person or entity held an Ownership interest in the Lot at such time, the personal obligation to pay such assessment or installment respecting such Lot shall be both joint and several. No Owner may exempt himself from payment of assessments, or installments, waiver of the use or non use of any Recreational Common Area within the Project or of any other portion of

the Common Area of by abandonment or leasing of his Lot. The personal obligation for delinquent assessments shall not pass to a successor Owner unless expressly assumed by such successor Owner.

4.3 Use of Assessments. Regular annual or special assessments paid by Declarant and other Owners shall be used to pay for operation, maintenance, preservation, enhancement, repair and improvement of the Common Area, other purposes reasonably related to the foregoing, and to promote the recreation, health, safety and welfare of the Owners. In addition, such assessments shall be used to pay the cost of administration of the affairs of the Association to the extent properly allocable to the performance and exercise of the Association's duties and powers under this Declaration. The foregoing is intended as an authorization to the Association and shall not be construed to require expenditure of Association funds for any particular purpose.

4.4 Reserve Funds. The Board shall establish and maintain reserves in accordance with standard accounting practices and procedures for Common Area replacements and maintenance and the initial budget of the Association. Each budget subsequently adopted by the Board shall provide for funds to be placed in reserves. Funds deposited in reserve for a particular purpose shall be held for that purpose and shall not be expended for any other purpose, except that if the Board determines that funds held in reserve for a particular purpose exceed an amount reasonably required as a prudent reserve for that purpose, then, without the vote or written consent of Members, the excess may be allocated to any other reserve fund established by the budget of the Association and expended for the purpose for which such other reserve fund has been established.

4.5 Regular Assessments. (a) The regular annual assessment for each Lot for the first assessment year shall be a maximum of \$240 per Lot (the "Maximum Assessment Amount"). If an assessment year shall have fewer than twelve months, the "Maximum Assessment Amount shall be appropriately prorated for the shorter period. For every assessment year after the first, the Maximum Assessment Amount shall automatically increase to one hundred ten percent (110%) of the Maximum Assessment Amount for the preceding assessment year. (b) The Board shall fix the amount and due date of the regular annual assessment on a yearly basis at least sixty (60) days in advance of each assessment year; provided, however, that the amount of the regular annual assessment for the first shall be \$240, and such amount shall be payable in semi-annual installments; and provided further that the Board may not impose a regular annual assessment which is more than the maximum Assessment Amount for such assessment year without the vote of at least sixty-seven percent (67%) of each class of Members of the Association who are voting in person or by proxy at a meeting duly called for such purpose at which a quorum is present. The notice and quorum requirements of such meeting shall be the same as those set forth in Section 4.6 for special assessments. Written notice of the regular annual assessment shall be sent to every Owner who is not present at the time the regular annual assessment is so fixed. If the Board fails to so fix the regular annual assessment, the assessment applicable, for the previous assessment year shall remain in effect until the Board shall fix a new regular annual assessment. Regular annual assessments shall be payable annually on the first day of each January or at such other time as the Board may fix, and may be payable in periodic (including quarterly or semi-annual) installments if the Board so determines. The Association shall, upon demand, and for a reasonable charge, furnish to any person having a legitimate interest a certificate signed by an officer of the Association stating whether the regular annual assessment and special assessments, if any, on a specified Lot have been paid and, if not, the amount due.

4.6 Special Assessments. In addition to the regular annual assessments authorized herein, the Board may levy in any assessment year, a special assessment against all Owners applicable to that year only for the purpose of defraying in whole or in part the cost of any construction, reconstruction, repair or replacement of capital improvements, and related fixtures, and personal property on or comprising a part of the Common Area provided, however, that such special assessment shall have been approved by vote of at least sixty-seven percent (67%) of the votes of each class of Members who are voting, in person or by proxy, at a meeting duly called for such purpose not less than ten (10) days nor more than fifty (50) days in advance of such meeting. At the first such meeting called, the presence of Members (in person or by proxy) entitled to cast fifty-one percent (51%) of all the votes of each class of Members shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting, provided that as long as the Class B membership exists, a quorum shall be met if a majority of the Class B votes is present in person or by proxy at such subsequent meeting regardless of the presence of any Class A Members or votes. No meeting shall be held more than fifty (50) days following the preceding meeting.

4.7 Allocation of Assessments. Except as otherwise provided in this Declaration, all regular and special assessments shall be levied equally against all Owners.

4.8 Commencement of Assessments. The regular annual assessments provided for herein shall commence, as to all Lots in the Property on the first day of the month next following the conveyance of the first Lot by Declarant. The first assessment year shall be the period commencing on the date regular annual assessments commence and ending on the December 31st. The regular annual assessment for the first assessment year shall be prorated from the amounts fixed by the Board for a full twelve month year, based on the number of months to be contained in the first assessment year. Subsequent assessment years shall be each successive calendar year; provided, however, that at any time the Board may change the assessment year to correspond to a fiscal year selected by the Board.

4.9 Revised Assessments. Subject to the provisions of Section 4.5, if at any time during the course of any year the Board shall deem the amount of the regular annual assessment to be inadequate or over adequate by reason of a revision of its estimate of either expenses or income or otherwise, the Board shall have the right, at a regular or special meeting, to revise the regular annual assessment for the balance of the assessment year. Any such revised assessment shall become effective on the first day of the month next following the date of adoption, and additional amounts payable shall be due (or refunds of overages shall be made by the Association) at such time as determined by the Board.

4.10 Delinquent Assessments, Fines, Remedies. Any assessment not paid within thirty (30) days after the due date shall be delinquent, and shall bear interest from the due date until paid in full at the rate of fifteen percent (15%) per annum, but in no event in excess of the maximum rate allowed by Texas law. The Board may require that any delinquent assessment bear a late charge to cover administrative expenses incurred as a result of the late payment of the assessment. The Association may commence nonjudicial foreclosure proceedings and/or institute suit to collect such amounts and/or to foreclose its lien. Each Owner, by acceptance of a deed or as a party to any other type of a conveyance, vests in the Association or its agents the right and power to bring all actions against such Owner personally for the collection of such charges as a debt, or to enforce the lien by suit, judgment and judicial or nonjudicial foreclosure in the same manner as other liens for the improvement of real property. In any legal action to enforce payment of an assessment or fine, the Association shall be entitled to recover interest, costs and reasonable attorneys fees. All payments shall be applied first to costs, then to late charges, then to interest and then to delinquent assessments.

4.11. Subordinated Lien to Secure Payment. The lien on any particular Lot for payment of, assessments as provided for herein shall be subordinate to the liens of any valid previously recorded mortgage or deed of trust encumbering such Lot. Sale or transfer of any Lot shall not impair the enforceability or priority of the assessment lien against such Lot.

4.12 Declarant Assessment - Option to Pay Deficit. So long as the Class B Membership shall exist, Declarant may annually elect to pay to, the Association either: (a) the annual assessment established under Section 4.5 hereof for each Lot which it owns until, such time as a Lot is conveyed to an Owner; or (b) the difference between the amount of assessments collected on all Lots (other than Declarant's Lots) subject to assessment and the amount of actual expenditures, including budgeted contributions to the reserve fund, required to operate the Association during the fiscal year. Unless the Declarant otherwise notifies the Board in writing at least sixty (60) days before the beginning of each fiscal year, Declarant shall be deemed to have elected to continue paying on the same basis as during the immediately preceding fiscal year. To secure this obligation, the Association shall have lien rights as provided in Section 4.1 hereof, against the Lots owned by Declarant.

**ARTICLE V - COMMON AREA AND PROPERTY RIGHTS**

5.1 Conveyance of Common Area to Association. The Declarant shall convey the Common Area to the Association, free and clear of any encumbrances other than as may be created by this Declaration or imposed by the City, Counties or other applicable, governmental authority, prior to the sale of the first Lot in the Project.

5.2 Common Area Easements. Subject to the further provisions of this Article, each Owner shall have a non-exclusive right and easement of use and enjoyment in and to the Recreational Common Area and such easement shall be appurtenant to and shall pass with the title of every Lot. Any Owner may delegate, in accordance with the By-Laws of the Association, his right of enjoyment to the Recreational Common Area and facilities to the members of such Owner's family or to persons residing on the Lot under a lease or contract to purchase.

5.3 Extent of Members' Easements. The rights and easements of use and enjoyment created hereby shall be subject to the following:

(a) The right of the Association to prescribe rules and regulations governing the use, operation and maintenance of the Common Area and Recreational Common Area, including the right of the Association to charge reasonable fees for the use of any Recreational Common Area.

(b) The right of the Association to suspend the voting rights of any Member and to suspend, the right of any individual to use or enjoy any of the Recreational Common Area for any period during which any assessment against a Lot resided upon by such individual unpaid, and for any period not to exceed sixty (60) days for an infraction of the then existing rules and regulations.

(c) The right of the Association to dedicate or transfer all or any part of the Common Area to any municipal corporation, public agency, authority, or utility company for such purposes and upon such conditions as may be agreed upon by the Board; provided, however, that no such dedication or transfer shall be effective unless an instrument signed by at least sixty-seven percent (67%) of each Class of Members agreeing to such transfer or dedication has been recorded; and

(d) Easements for ingress, egress, use and enjoyment over, in, to and throughout, the Common Area for the benefit of Declarant.

5.4 Conveyance of Additional Common Area to Association. Declarant shall have the right to convey title to any property owned by it, or any easement or interest therein, to the Association as a Common Area, and the Association shall be required to accept such conveyance. Any such conveyance shall be effective upon recording the deed or instrument of conveyance in the public records of the Counties.

5.5 Utility Easements. Any easements for installation, maintenance, use or repair of public utilities or drainage facilities which are dedicated on any final subdivision plat of the Project or created in some other way shall be kept free, of buildings, and within such easements no structure shall be placed or permitted to remain which may damage or interfere with the installation, maintenance, use or repair of such public utilities or drainage facilities, or which may damage, interfere, or change the direction or flow of drainage in the easements. All such easements at all times shall be accessible to Declarant until the Project is completed and at all times shall be accessible to all persons installing, repairing, using or maintaining such utilities and drainage facilities.

5.6 Ingress, Egress, and Maintenance by the Association. Full rights of ingress and egress shall be had by the Association at all times over and upon the Common Area for the purpose of maintaining the Common Area as set forth herein.

5.7 Association Easements. (a) The Association is granted the right and easement to maintain, repair, replace and reconstruct any Project screening wall in substantially the same location as originally installed. Such easement rights shall include the right of access upon and across any portion of the Project as may be reasonably necessary to allow the performance of any such maintenance, repair, replacement, or reconstruction to any portion of such screening wall.

(b) The Association is granted the right and easement to maintain, repair, replace, and reconstruct any Project entrance monument and related facilities, including without limitation, landscaping, lighting, and irrigation systems, in substantially the same location as originally installed. Such easement rights shall include the right of access upon and across any portion of the Project as may be reasonably necessary to allow the performance of any such maintenance repair, replacement, or reconstruction to any portion of such entrance monument easement area.

(c) The Association is granted the right and easement to enter upon any easement area granted, dedicated or reserved, for the benefit of the Association, to maintain, repair, replace and reconstruct any Improvements or other facilities within any easement area.

5.8 Rights of Governmental Authority. Any governmental authority or agency, including, but not limited to the City and the Counties, their agents, and employees, shall have the right of immediate access to the Common Area at all times if necessary for the preservation of public health, safety and welfare; provided, however, that neither the City nor the Counties shall be responsible for any construction or maintenance in the Common Area. Notwithstanding the above, in the event the City, through its officers, agents, servants or employees, determines that the Common Area is not being properly maintained in a manner necessary to protect the public health, safety-and welfare, the City may direct the Association to remedy such condition within a reasonable period of time as determined by the City. If such condition has not been properly repaired or remedied within the prescribed time period, the City may perform the necessary work and all costs associated therewith will be paid by the Association. It is specifically understood that the Declarant is installing non-conventional street and traffic signs in the Project at Declarant's sole cost and expense. In the event such non-conventional street and traffic signs are damaged or removed and the Association does not take necessary steps to repair or replace such damaged or missing signs in a reasonable period of time as instructed by the City, the City may remove such signs and install standard signs and all costs related thereof will be paid by the Association.

#### ARTICLE VI - INSURANCE; REPAIR AND RESTORATION

6.1 Right to Purchase Insurance. The Association shall have the right and option to purchase carry and maintain in force insurance covering any or all portions of the Common Area and any improvements thereon or appurtenant thereto, for the interest of the Association and of all Members thereof, in such amounts and with such endorsements and coverage as shall be considered good sound insurance coverage for properties similar in construction, location and use to the Common Area. Such insurance may include, but need not be limited to:

(a) Insurance against loss or damage by fire and hazards covered by a standard extended coverage endorsement in an amount which shall be equal to the maximum insurable replacement value.

(b) Public liability and property damage insurance on a broad form basis.

(c) Fidelity bond for all officers and employees of the Association having control over the receipt and disbursement of funds.

(d) Officers' and Directors' liability insurance.

6.2 Insurance Proceeds. The Association and the Members shall use the net insurance proceeds to repair and replace any damage or destruction of the property, real or personal, covered by such insurance. Any balance from the proceeds of insurance paid to the Association, as required in this Article VI, remaining after satisfactory completion of repair and replacement, shall be retained by the Association as part of a general reserve fund for repair and replacement of the Common Area.

6.3 Insufficient Proceeds. If the insurance proceeds are insufficient to repair or replace any loss or damage, the Association may levy a special assessment as provided in Article IV of this Declaration to cover the deficiency.

#### ARTICLE VII - USE RESTRICTIONS

The Property (and each Lot situated therein) shall be occupied and used as follows:

7.1 Residential Use. All Lots shall be used for single family residential purposes. No building shall be erected, altered, placed or permitted to remain on any Lot other than one (1) detached single-family residence, which residence may not exceed two (2) stories in height, and a private garage as provided below.

7.2 Single-Family Use. Each residence may be occupied by only one family consisting of persons related by blood, adoption or marriage or no more than two unrelated persons living together as a single housekeeping unit, together with any household servants.

7.3 Garages. Each residence shall have a garage suitable for parking not less than two (2) or more than four (4) standard size automobiles, which garage conforms in design and material with the main structure.

7.4 Driveways. All driveways shall be surfaced with concrete or a similar substance approved by the Committee.

7.5 Floor Area Restrictions. The total air-conditioned living area of the main residential structure, as measured to the outside of exterior walls, but exclusive of open porches, garages, patios, and detached accessory buildings, shall be not less than 1,450 square feet for Lots 11,000 square feet or less, and not less than 1,800 square feet for Lots greater than 11,000 square feet. Notwithstanding any provision hereof to the contrary, the minimum floor area of a residential structure shall be not less than the minimum, habitable floor area as specified by the applicable governmental authority at the time of construction.

7.6 Building Materials Exterior Items and Surfaces. The total exterior wall area of the main structure shall be not less than eighty five percent (85%) brick, brick veneer, stone, stone veneer, masonry or other material approved by the Committee. Roofing shall be constructed of composition material of grade at least equal to a "twenty-year shingle," as defined by industry standards, unless specifically approved otherwise by the Committee in writing before installation. Unless otherwise approved by the Committee, roof pitch shall be a minimum of 8/12, except the roof pitch of a garage may be 4/12.

7.7 Chimneys. All chimneys shall be constructed of brick or brick veneer. All fireplace flues, smoke stacks, and spark arrestors shall be completely enclosed and concealed from public view in finished chimneys of materials architecturally compatible with the finish material of the exterior walls of the dwelling or as otherwise approved by the Committee.

7.8 Fences, Walls and Landscaping. Any fence or wall must be constructed of wood, "wrought iron" style tubular steel, masonry, brick or other material approved by the Committee. Chain link fencing shall not be allowed. No fence or wall shall be permitted to extend nearer to the street upon which the house fronts than forty-five feet (45'), except for retaining walls or screening walls installed by Declarant or retaining walls or decorative fences specifically approved by the Committee. All fences or walls, including those erected by Declarant, shall become the property of the Owner of the Lot on which the same are erected and, as such, shall be maintained and repaired by such Owner. No portion of any fence shall exceed eight feet (8') in height. The only railroad tie retaining walls allowed in the subdivision shall be those constructed by the Declarant.

The front yard of all Lots shall be landscaped by the original builder. All front yards shall have a electric timed sprinkler system installed by the original builder, and the Owner shall at all times maintain the sprinkler system in working condition.

7.9 Sidewalks. All sidewalks shall be placed all conform to specifications and regulations of applicable governmental authorities. Each Owner shall be responsible for maintenance of the portion of any sidewalk, located upon the Owner's Lot.

7.10 Mailboxes. Mailboxes shall be standardized and shall be constructed of a material and design approved by the Committee.

7.11 Construction of Improvements. No Improvements shall hereafter be constructed upon any of the Property, and no change, alteration, addition or removal of any Improvement (other than normal maintenance and repair which does not materially alter or change the exterior appearance, condition and color of same) shall be made without the prior written, approval of the Committee. In the case of single-family residences to be constructed on a Lot, the Committee may limit its review to a review of a typical floor plan for the proposed residence, and upon the Committee's approval of such floor-plan, residences may be constructed consistent with the approved floor plan without the requirement of further review or approval by the Committee, anything herein to the contrary notwithstanding.

7.12 Uses Specifically Prohibited. (a) No temporary dwelling, shop trailer or mobile home of any kind or any improvement of a temporary character (except children's playhouses, dog houses, greenhouses, gazebos and buildings for storage of lawn maintenance equipment, which may be placed on a Lot only in places which are not visible from any street on which the Lot fronts) shall be permitted. No building material of any kind or character shall be placed or stored upon the Property until the Owner thereof is ready to commence construction of improvements, and then such material shall be placed within the property lines of the Lot upon which the improvements are to be erected.

(b) No boat, marine craft, hovercraft, aircraft, recreational vehicle, pick-up camper, travel trailer, motor home camper body or similar vehicle or equipment may be parked in the driveway or front yard of any dwelling or parked on any public street, nor shall any such vehicle or equipment be parked for storage in the side or rear yard of any residence unless completely concealed from public view (including any adjoining Lot Owner) by a garage, screening structure or fencing approved by the Committee. No such vehicle or equipment shall be used as a residence or office temporarily or permanently. This restriction shall not apply to any vehicle, machinery or equipment temporarily parked and used for construction, maintenance or repair of a residence in the immediate vicinity.

(c) Any commercial truck or van with the name, logo or other marking of a commercial enterprise, and any trucks with tonnage in excess of one ton shall not be permitted to park overnight except those used by a Builder during the construction of improvements.

(d) No vehicle of any size, which transports inflammatory or explosive cargo, may be kept in the Project at any time.

(e) No structure of a temporary character, such as a trailer, tent, shack, barn, or other out-building shall be used at any time as a dwelling house; provided, however, any Builder, with the prior written approval of the Committee, may maintain and occupy model houses, sales offices and construction trailers during the construction period.

(f) No oil drilling, oil development operation, oil refining, quarrying or mining operations of any kind shall be permitted in the Project, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any part of the Project. No derrick or other structure designed for use in quarrying or boring for oil, natural gas or other minerals shall be erected maintained or permitted within the Project.

(g) No animals, livestock or poultry of any kind shall be raised, bred or kept on any property in the Project except that dogs, cats or other household pets may be kept for the purpose of providing companionship for the private family. Animals are not to be raised, bred, or kept for commercial purposes or for food. It is the purpose of these provisions to restrict the use of the property so that no person, shall quarter on any Lot cows, horses, bees, hogs, sheep, goats, ducks, chickens, turkeys, skunks or any other animals that may interfere with the quietude, health or safety or the community. No more than four (4) pets will be permitted on each Lot. Pets must be restrained or confined to the rear of the Lot inside the fenced area or within the house. It is the pet Owner's responsibility to keep the Lot clean and free of pet debris. All animals must be properly tagged for identification.

(h) No Lot or other area in the Project shall used as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept except in sanitary containers in appropriate locations which may be specified by, the Committee and unless otherwise expressly permitted by the Committee, such containers shall be situated and enclosed or screened so as not to be visible from any residential street, private drive or adjacent Lot, except on days when such waste, is collected by the municipality or private company providing waste collection service. All incinerators or other equipment for the storage or other disposal of such material shall be kept in clean and sanitary condition.

(i) No individual water supply system shall be permitted in the Project.

(j) No individual sewage disposal system shall be permitted in the Project.

(k) No garage, garage house or other out-building (except for sales offices and construction trailers during the construction period which have been approved, by the Committee in writing) shall be occupied by any Owner, tenant or other person prior to the erection of a residence.

(l) No air-conditioning apparatus shall be installed on the ground in front of a residence. No air-conditioning apparatus shall be attached to any front-wall or window of a residence. No evaporative cooler shall be installed on the front wall or window of a residence.

(m) Except with the written permission of the Committee, no antennas shall be permitted in the Project except antennas for AM or FM radio reception and television reception. All antennas shall be located inside the attic of the main residential structure except with the written permission of the Committee, and provided that a satellite dish which does not exceed eighteen inches (18) in diameter may be placed outside of the main residential structure. No use shall be made of any Lot or structure thereon for any type of radio or television or similar broadcasting systems.

(n) No Lot or improvement shall be used for business, professional, commercial or manufacturing purposes of any kind. No activity, whether for profit or not, shall be conducted which is not related to single-family residential purposes. No noxious or offensive activity shall be undertaken within the Project, nor shall anything be done which is or may become an annoyance or nuisance to the neighborhood. Nothing in the subparagraph shall prohibit a Builder's temporary use of a residence as a sales, office or model home until such Builder's last residence in the Project is sold if such Builder has received the prior written approval of such use from the Committee. Nothing in this subparagraph shall prohibit an Owner's use of a residence for quiet, inoffensive activities such as tutoring or giving art lessons so long as such activities do not materially increase the number of cars parked on the street or interfere with adjoining Homeowners use and enjoyment of their residences and yards.

(o) Except for children's playhouses, dog houses, greenhouses, gazebos and buildings for storage of lawn maintenance equipment, no building previously constructed elsewhere shall be moved onto any Lot, it being the intention that only new construction be placed and erected, thereon.

(p) No changes shall be made to any portion of a Lot (including without limitation any easement area, set back area, drainage channel, swale or other area) which may damage or interfere with the installation and maintenance of utilities or which may change the overall drainage pattern of a Lot (including without limitation the alteration of existing topography or the installation of structures, plantings or other materials), without the prior written approval of the Committee and any appropriate governmental authority having authority to grant such approval.

(q) No sign of any kind shall be displayed to the public view on any Lot except: temporary school spirit signs; temporary political signs which may be placed and kept only in accordance with applicable ordinances and only with respect to elections scheduled in the immediate future; one (1) professional sign of not more than five (5) square feet advertising the property for sale; and professional signs not exceeding nine (9) square feet used by a Builder to advertise the property during the construction and sales period; and provided that during the construction and sales period (and subject to applicable ordinances) a Builder shall be permitted to place larger signage on any Lot upon which the Builder shall have constructed a model home. Notwithstanding the foregoing, no sign shall use the terms "foreclosure" or "foreclosed" or words of like import. Handwritten advertisements and pricing on windows is also expressly prohibited. Declarant or the Association or its or their agents shall have the right to remove any sign billboard or other advertising that does not comply with the foregoing requirements, and in so doing shall not be subject to any liability for trespass or any other liability in connection with such removal.

(r) The drying of clothes in full public view is prohibited. The Owners and occupants of any Lots at the intersections of streets or adjacent to facilities where the rear yard is visible to full public view shall construct a drying yard or other suitable enclosure to screen from public view the equipment which is incident to normal residences, such as clothes drying equipment, yard equipment and storage piles.

(s) Except within fireplaces in the main residential dwelling and except for outdoor cooking, no burning of anything shall be permitted anywhere within the Project.

(t) With the exception of antennas meeting the requirements of subsection (m) of this Section 7.12, no satellite dish or any other type of instrument or structure for receiving radio or television reception or other types of sound or video reception shall be allowed at any place outside the house on a Lot, including, without limitation on the roof of such a house or in the front, back or side yards of a Lot unless located in the back yard of a Lot and completely screened from public view.

(u) No vehicles or similar equipment shall be parked or stored in an area visible from any street except passenger automobiles, passenger vans, motorcycles, pick-up trucks and pickup trucks with attached bed campers that are in operating condition and have current license plates and inspection stickers and are in daily use as motor vehicles on the streets and highways of the State of Texas.

7.13 Utilities. Except as to special street lighting or other aerial facilities which may be required by the City or which may be required by the franchise of any utility company or which may be installed by the Declarant pursuant to its development plan, no aerial utility facilities of any type, (except meters, risers, service pedestals, transformers and other surface installations necessary to maintain or operate appropriate underground facilities) shall be erected or installed in the Property whether upon individual Lots, easements, streets or rights-of-way of any type, either by the utility company or any other person or entity, including, but not limited to, any person owning or acquiring any part of the Property, and all utility service facilities (including but not limited to, water, sewer, gas, electricity, telephone and television cable) shall be buried underground unless otherwise required by a public utility.

7.14 Restrictions on Resubdivision. None of the Lots shall be subdivided for the purpose of creating additional Lots.

### VIII - ARCHITECTURAL CONTROL

8.1 Committee Membership. The Committee shall consist of not more than three (3) members.

8.2 Declarant's Rights of Appointment. Until the date when Declarant no longer owns any Lot within the Property, Declarant shall have the right to appoint and remove all members of the Committee. Declarant may delegate in whole or in part its right to appoint and remove members of the Committee to the Board by written instrument. In any event, after the period of Declarant control, the Board shall appoint the members of the Committee.

8.3 Action by Committee. Items presented to the Committee shall be decided by a majority vote of the members. The Committee may appoint an agent to act on behalf of the Committee, and the Committee may delegate any duties, powers and/or functions to the agent. Any such appointment and delegation shall be in writing.

8.4 Term. Each member of the Committee shall hold office until such time as he or she has resigned or has been removed or his or her successor has been appointed, as provided herein. No member of the Committee shall be entitled to compensation for serving as a member of the Committee.

8.5 Adoption of Rules. The Committee may adopt such procedural and substantive rules, not in conflict with this Declaration, as it may deem necessary or proper for the performance of its duties, including but not limited to a building code, a fire code, a housing code, architectural guidelines, landscaping guidelines, and other similar codes or guidelines as it may deem necessary and desirable.

8.6 Review of Proposed Construction. Except as otherwise specifically provided herein, prior to (i) the commencement of any construction of any Improvement on the Property or any portion thereof, or (ii) any change, alteration, addition or removal of any Improvement other than normal maintenance and repair which does not materially alter or change the exterior appearance, condition and color of same, the plans and specifications therefor shall be submitted to the Committee in duplicate, and construction thereof may not commence unless and until the Committee has approved such plans and specifications in writing. Upon written request, the Committee may waive the requirement of such plans for any Lot if the Builder uses plans previously approved by the Committee for another Lot. At such time as the plans and specifications meet the approval of the Committee, one complete set of plans and specifications will be retained by the Committee, and the other complete set of plans will be marked "Approved" and returned to the Owner or his designated representative marked "Approved," and accompanied by a statement of complete approval or approval based on certain conditions and specifications. If found not to be in compliance with this Declaration, one set of such plans and specifications shall be returned marked "Disapproved," accompanied by a reasonable statement of items found not to comply with this Declaration. Any modification or change to the approved set of plans and specifications must again be submitted to the Committee for its inspection and approval. The approval or disapproval of the Committee, as required herein, shall be narrative and in writing. If the Committee, or its

designated representative, fails to approve or disapprove such plans and specifications within fifteen (15) days after the date of submission, then approval shall be presumed; provided, however, that nothing in this Section shall affect in any way the method for seeking or granting variances, as described in Section 8.7, nor shall any failure of the Committee to action a variance request within any particular period of time constitute the granting or approval of any such variance request. The Committee shall consider and act upon any and all plans and specifications submitted for its approval pursuant to this Declaration, and perform such other duties assigned to it by this Declaration or from time to time assigned to it by the Board, including the inspection of construction in progress to assure its conformance with plans and specifications approved by the Committee. The Committee may postpone review of any plans and specifications submitted for approval pending its receipt of any information or document deemed necessary by it. The Committee shall have the authority to disapprove any proposed Improvement based upon this Declaration, and the decision of the Committee shall be final and binding so long as it is made in good faith. The Committee shall not be responsible for reviewing any proposed Improvement, nor shall its approval of any Plans or Specifications be deemed approval thereof from the standpoint of structural safety, engineering soundness, or conformance with building or other codes.

8.7 Variance. The Committee may grant variances from compliance with any of the provisions of this Declaration when, in its opinion and in its sole and absolute discretion, such variance will not impair or detract from the high quality development of the Property and/or is justified due to aesthetic considerations or unusual circumstances. All variances must be evidenced by a written instrument in recordable form, and must be signed by a majority of the members of the Committee. The granting of such variance shall not operate to waive or amend any of the terms and provisions of this Declaration applicable to the Lots for any purpose except as to the particular property and the particular matter covered by the variance, and such variance shall not be considered to establish a precedent or future waiver, modification or amendment of the terms and provisions hereof.

8.8 Actions of the Committee. The Committee may, by resolution unanimously adopted in writing, designate any of its members or an agent acting on its behalf to take any action or perform any duties for, and on behalf of the Committee. In the absence of such designation the vote of a majority of all members, which may be taken without a meeting, shall constitute an act of the Committee.

8.9 No Waiver of Future Approvals. The approval or consent of the Committee to any plans and specifications shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any plans and specifications or other matter whatever subsequently or additionally submitted for approval or consent by the same or a different person.

8.10 Work in Progress. At its option, the Committee may inspect any work in progress to insure compliance with approved plans and specifications.

8.11 Non-liability of Committee Members. Neither the Committee nor any members thereof, nor the Board nor any member thereof, shall be liable to the Association or to any Owner or to any other person for any loss, damage or injury arising out of or in any way connected with the performance of the Committee's or the Board's respective duties under this Declaration, unless due the willful misconduct or bad faith of such person. Neither the Committee nor any member thereof shall be liable to any Owner due to the construction of any Improvement within the Property.

8.12 Address. Plans and specifications shall be submitted to:

CASTLE HILL- BURLESON ACC  
6400 Uptown Boulevard, NE  
Suite 510-W  
Albuquerque, NM 87110

or such other address as may be designated by Declarant from time to time.

#### ARTICLE IX - MAINTENANCE

9.1 Property and Lot Maintenance. All vacant Lots and undeveloped portions of the Property shall be kept mowed and free of trash and construction debris by the Owner thereof. The Owner and

occupant of each Lot upon which a dwelling has been constructed shall cultivate an attractive ground cover or grass on all yards visible from the street shall maintain the yards in a sanitary and attractive manner and shall edge the street curbs that run along the property line. Grass, weeds and vegetation on each Lot must be kept mowed at regular intervals so as to maintain the property in a neat and attractive manner. No vegetables shall be grown in any yard that faces a street unless completely screened from public view. No Owner shall permit weeds or grass to grow to a height of greater than six (6) inches upon its Lot. Upon failure of the Owner of any Lot to maintain such Lot (whether or not improved), the Association may at its option, have the grass weeds and vegetation cut as often as necessary in its judgment, and the Owner of such Lot shall be obligated, when presented with an itemized statement, to reimburse the Association for the cost of such work. These provisions shall be construed to create a lien in favor of the performing party against such property for the cost of such work or the reimbursement sought for such work performed on such property.

9.2 Maintenance of Improvements. Each Owner shall maintain the exterior of all buildings, and other improvements on his Lot including (except as provided in Section 7.8(b)) fences and walls, in good condition and repair, shall replace worn and rotten parts, shall regularly repaint all painted surfaces and shall not permit the roofs, rain gutters, downspouts, exterior walls, windows, doors, walks, driveways, parking areas or other exterior portions of the Improvements to deteriorate.

9.3 Negligence. The cost of repair or replacement of any Improvement to be maintained and kept in repair by the Association, which repair or replacement is required because of the act or omission of any Owner, shall be the responsibility of and paid for by such Owner.

#### ARTICLE X - DECLARANT'S RIGHTS

10.1 Declarant's Rights. Notwithstanding anything to the contrary contained in this Declaration, Declarant, its agents, assignees, employees and contractors, and any other Builders designated by Declarant, shall not be restricted or prevented by this Declaration from doing, (and Declarant, its agents, assignees, employees, contractors, designated Builders shall have the right to do) such things or take such actions as they deem necessary, advisable or convenient for completion and improvement of the Project as a residential community and for the sale, rental or other disposition of Lots in the Project. The rights of Declarant, its agents, assignees, employees and contractors, and designated Builders shall include, without limitation:

(a) The right and easement of ingress in, over and upon the Common Area for the purpose of performing on any part or parts of the Project acts deemed necessary, advisable or convenient for the completion and improvement of the Project as a residential community and for the sale, rental or other disposition of Lots;

(b) The right to erect, construct, maintain, demolish or remove structures and other improvements on any Common Area as they deem necessary, advisable or convenient for the completion and improvement of the Project as a residential community and for the sale, rental or other disposition of Lots; and

(c) The right to use Lots and Improvements owned by Declarant or such designated Builders, as models, sales offices and contractor's offices and to construct and display promotional, informational and directional signs and other sales aids on or about any portion of the Project.

The rights under this Section shall terminate at such time as homes shall have been constructed on every Lot in the Project.

#### ARTICLE XI - GENERAL PROVISIONS

11.1 Remedies. In the event of any default by any Owner under the provisions of this Declaration, the By-Laws or rules and regulations of the Association, the Association and any Owner shall have each and all of the rights and remedies which may be provided for in this Declaration, the By-Laws and said rules and regulations, and those which may be available at law or in equity, and may prosecute any action or other proceedings against such defaulting Owner and/or others for enforcement of any lien, statutory

or otherwise, including foreclosure of such lien and the appointment of a receiver for the Lot and Ownership interest of such Owner, or for damages or injunction, or specific performance, or for judgment for the payment of the money and collection thereof, or for any combination of the remedies, or for any other relief. No remedies herein provided or available at law or in equity shall be deemed mutually exclusive of any other such remedy. All expenses of the Association in connection with any such actions or proceedings, including court costs and attorney's fees and other fees and expenses, and all damages liquidated or otherwise, together with interest thereon at the maximum rate permitted by law but, with reference to, any Lots financed by FHA insured loans, not in excess of the maximum rate of FHA loans at the time of delinquency, from the due date until paid, shall be charged to, and assessed against such defaulting Owner, and shall be added to and deemed part of respective maintenance assessment (to the same extent as the lien provided herein for unpaid assessments), upon the Lot and upon all of his additions and improvements thereto, and upon all of his personal property upon the Lot. Any and all of such rights and remedies may be exercised at any time and from time to time, cumulatively or otherwise, by the Association or any Owner.

11.2 Miscellaneous Provisions. Any provisions of this Declaration or of the Articles of Incorporation and By-Laws to the contrary notwithstanding, the following provisions shall control:

(a) FHA/VA Approval If any prospective Owner applies for FHA or VA mortgage financing and receives a commitment therefor then, to the extent required by applicable regulations promulgated by the FHA or the VA, the following actions will require approval of the FHA and the VA as applicable: (1) addition of properties except as set forth in Article 11, (2) mortgaging or dedication of Common Areas, (3) amendment of this Declaration or the Articles of Incorporation or By-Laws of the Association, and (4) dissolution of the Association.

(b) The following actions will require notice to all institutional holders of first mortgage liens: (1) abandonment or termination of the Association; or (2) material amendment to this Declaration.

(c) Upon the request of any first mortgagee of a dwelling on a Lot, the Association shall furnish to such mortgagee a written notice of any default by the Owner of such dwelling in the performance of such Owner's obligations under this Declaration or by By-Laws or Association rules and regulations which is not cured within thirty (30) days. Any first mortgagee of a dwelling who comes into possession of such dwelling pursuant to the remedies provided in the mortgagee, a foreclosure of the mortgage, or deed (or assignment) in lieu of foreclosure, shall take such property free of any claims for unpaid assessments or charges in favor of the Association against the mortgaged dwelling which accrued prior to the time such holder comes into possession of the dwelling.

(d) Unless at least seventy-five percent (75%) of the first mortgagees (based upon one vote for each mortgage) have given their prior written approval, neither the Association nor the Owners shall be entitled to:

(i) by act or omission seek to abandon, partition, encumber, or transfer the Common Areas, if any, or any portion thereof of interest therein; (The granting of easements for public utilities or other public purposes consistent with the intended use of such property shall not be deemed a transfer within the meaning of this clause.)

(ii) substantially change the method of determining the obligations, assessments, dues or other charges which may be against an Owner by the Association;

(iii) by act or omission change, waive, or abandon any scheme of regulations or enforcement thereof pertaining to the architectural design or the exterior appearance of the dwellings or maintenance of the dwellings or Lots;

(iv) fail to maintain liability and extended coverage insurance on insurable property comprising a part of the Common Areas on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based on current replacement costs);

(e) All personal pronouns used in this Declaration, whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural, and vice versa.

11.3 Headings. The headings contained in this Declaration are for reference purposes only and, shall not in any way affect the meaning or interpretation of this Declaration.

11.4 Conflicts. In the event of conflict between the terms of this Declaration and the By-Laws, rules, regulations or Articles of Incorporation of the Association, this Declaration shall control.

11.5 Partial Invalidity. The invalidation of any one of these covenants by judgment or court order shall in no way affect any of the other provisions, which shall remain in full force and effect.

IN WITNESS WHEREOF, Declarant has caused this instrument to be executed as of the date first above written.

DECLARANT:

**BROWNS MOUNTAIN LTD.**  
a Texas Limited Partnership  
Argus Development Company of Texas, Inc.  
General Partner

BY: Ben F. Spencer  
Ben F. Spencer, President

State of New Mexico §

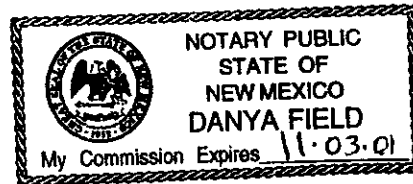
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County of Bernalillo §

This document was executed before me this 12 day of October, 1999, by Ben F. Spencer, President of Argus Development Company of Texas, Inc., General Partner of Browns Mountain Ltd.

November 03, 01  
My Commission Expires

Danya Field  
Notary Public



AFTER RECORDING RETURN TO:

BROWNS MOUNT LTD  
ARGUS DEVELOPMENT COMPANY OF TEXAS, INC.  
6400 UPTOWN BLVD NE, SUITE 520-W  
ALBUQUERQUE, NEW MEXICO 87110



Survey of Abstract No. 183

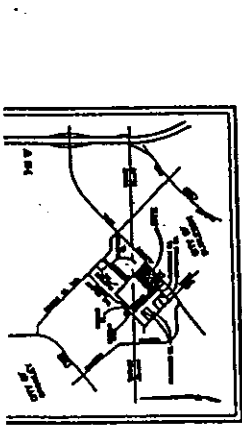
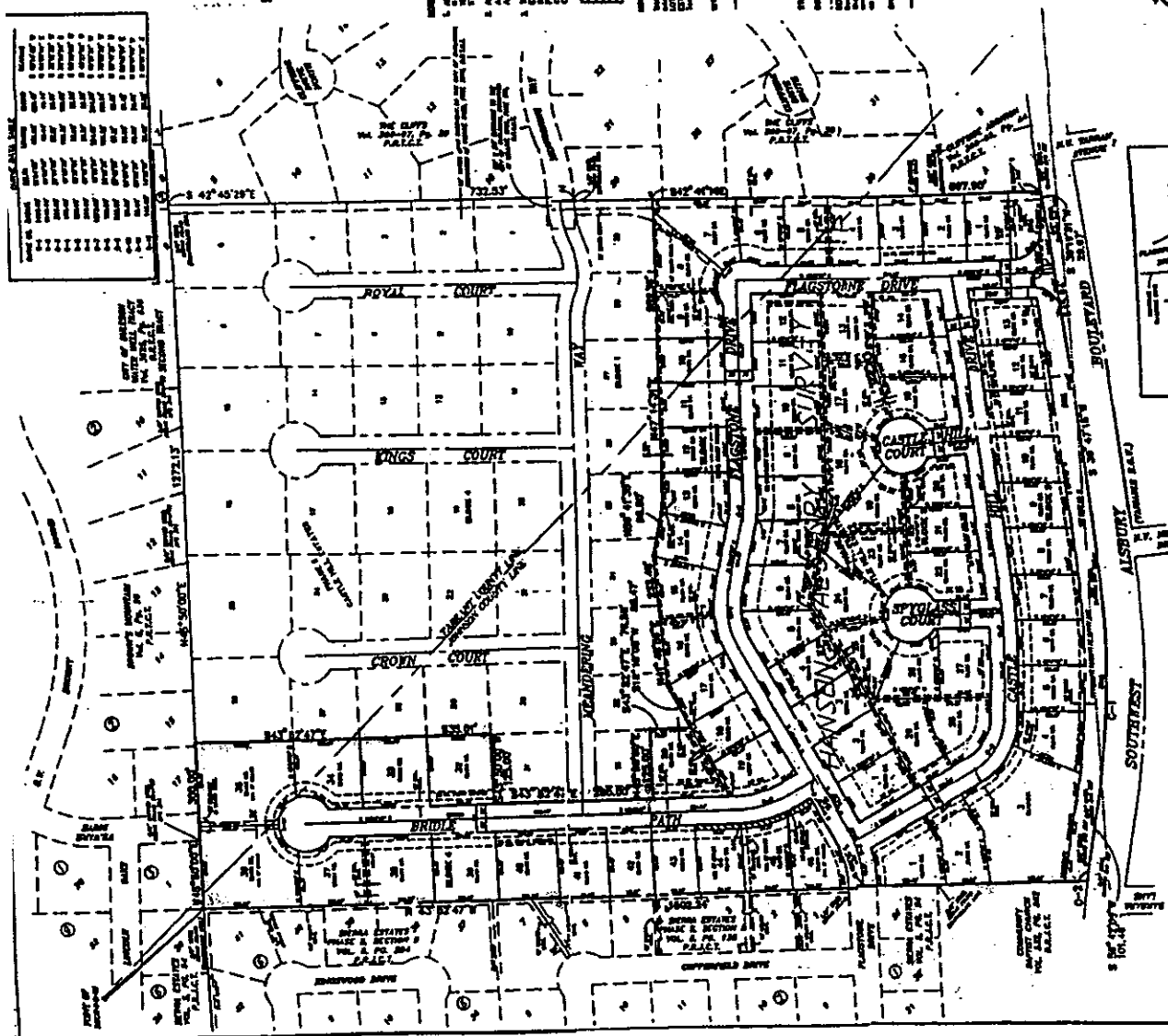


Table with 2 columns: 'BLOCK' and 'ACRES'. Lists blocks 1 through 12 and their corresponding acreages.

GENERAL AND DEVELOPER'S CERTIFICATE: A detailed legal declaration by the surveyor and developer, including the names of the parties and the location of the land.

COOPERATION: A section detailing the cooperation of various parties involved in the survey, including neighbors and local authorities.

FINAL PLAT OF PHASE I CASTLE HILL ESTATE: The main title and introductory text of the plat, including the date and location.



GENERAL AND DEVELOPER'S CERTIFICATE (continued): Further details of the certificate, including a list of lot numbers and their descriptions.

COOPERATION (continued): Further details of the cooperation section, including names and addresses of the cooperating parties.

FINAL PLAT OF PHASE I CASTLE HILL ESTATE (continued): Final concluding text of the plat, including the surveyor's signature and date.

GENERAL AND DEVELOPER'S CERTIFICATE (continued): Final part of the certificate, including a list of lot numbers and their descriptions.

COOPERATION (continued): Final part of the cooperation section, including names and addresses of the cooperating parties.

FINAL PLAT OF PHASE I CASTLE HILL ESTATE (continued): Final concluding text of the plat, including the surveyor's signature and date.

GENERAL AND DEVELOPER'S CERTIFICATE (continued): Final part of the certificate, including a list of lot numbers and their descriptions.

