

TABLE OF CONTENTS

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR VERSAILLES

An Addition to The City of Southlake, Tarrant County, Texas

ARTICLE I - DEFINITIONS

1.1	Areas of Common Responsibility	1
1.2	Association	2
1.3	Board	2
1.4	Declarant	2
1.5	Declaration	2
1.6	Home, Dwelling or Residence	2
1.7	Lienholder or Mortgagee	2
1.8	Lot	2
1.9	Member	2
1.10	Open Space	2
1.11	Owner	2
1.12	Property, Premises or Development	3
1.13	Subdivision Plat	3
1.14	City	3

ARTICLE II - VERSAILLES HOMEOWNERS ASSOCIATION, INC.

2.1	Establishment of the Association	3
2.2	Adoption of By-Laws	3

ARTICLE III - MEMBERSHIP AND VOTING RIGHTS

3.1	Membership	3
3.2	Voting	3
3.3	No Cumulative Voting	4

ARTICLE IV - COVENANT FOR ASSESSMENTS

4.1	Creation of The Lien And Personal Obligation of Assessments	4
4.2	Purpose of Assessments	4
4.3	Basis And Maximum of Annual Assessments	5
4.4	Special Assessments	5
4.5	Notice and Quorum For Any Action Authorized Under Sections 4.3 And 4.4	6
4.6	Uniform Rate of Assessment	5
4.7	Date of Commencement of Annual Assessments: Due Dates.	6
4.8	Effect of Non-Payment of Assessments: Remedies of The Association.	7
4.9	Subordination of The Lien To First Lien Mortgages	8
4.10	Management Agreements	8
4.11	Insurance Requirements	9

ARTICLE V - PROPERTY RIGHTS

5.1	Use of Open Space	9
5.2	Title to The Open Space	10

ARTICLE VI - ARCHITECTURAL REVIEW COMMITTEE 10

ARTICLE VII - CONSTRUCTION OF IMPROVEMENTS AND USE OF LOTS

7.1	Residential Use	12
7.2	Single-Family Use	12
7.3	Garage Required	12
7.4	Restrictions on Re-Subdivision	12
7.5	Driveways	12
7.6	Uses Specifically Prohibited	12
7.7	Minimum Floor Area	16
7.8	Building Materials	16
7.9	Side Line And Front Line Setback Restrictions	17
7.10	Waiver of Front Setback Requirements	17
7.11	Fences and Walls	17
7.12	Sidewalks	17
7.13	Mailboxes	17
7.14	Chimney Flues	18
7.15	Windows	18
7.16	Landscaping	18
7.17	General Maintenance	18

ARTICLE VIII GENERAL PROVISIONS

8.1	Easements	19
8.2	Enforcement	19
8.3	Severability	19
8.4	Term	19
8.5	Amendment	20
8.6	Gender and Grammar	20
8.7	Enforcement	20
8.8	Notices to Member / Owner	21
8.9	Headings	21
8.10	Formation of Association: Inspection of Documents, Books and Records.	21
8.11	Indemnity	21
8.12	FHA-VA Approval Requirement	22
8.13	Failure of Association to Perform Duties	22

Properties, and, (iii) the project signage at the entrances to the Properties, all as shown on the Subdivision Plat of the Property, and such other improvements, if any, as designated by the Board of Directors of the Association for the preservation, protection and enhancement of the property values and the general health, safety or welfare of the Owners.

1.2 ASSOCIATION. "Association" shall mean and refer to the VERSAILLES HOMEOWNERS' ASSOCIATION, INC., a Texas not-for-profit corporation established for the purposes set forth herein, its successors and assigns.

1.3 BOARD. "Board" shall mean and refer to the Board of Directors of the Association.

1.4 DECLARANT. The term "Declarant" shall mean and refer to VERSAILLES, LTD., a Texas limited partnership and its successors and assigns.

1.5 DECLARATION. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions for Versailles.

1.6 HOME, DWELLING OR RESIDENCE. "Home," "Dwelling" or "Residence" shall mean a single-family residential unit constructed on a Lot being a part of the Property, including the garage utilized in connection therewith and the Lot upon which the Home, Dwelling or Residence is located.

1.7 LIENHOLDER. "Lienholder" or "Mortgagee" shall mean the holder of a first mortgage lien, either on any Home and/or any Lot.

1.8 LOT. "Lot" shall mean and refer to a portion of the Property designated as a Lot on the Subdivision Plat of the Property, excluding Open Space, streets, alleys and any Area of Common Responsibility. Where the context requires or indicates, the term Lot shall include the Home and all other improvements which are or will be constructed on the Lot.

1.9 MEMBER. "Member" shall mean and refer to every person or entity who holds membership in the Association. The Declarant and each Owner shall be a Member.

1.10 OPEN SPACE. Open Space shall mean the areas of land for the mutual use and enjoyment of the Members which shall be owned by the Association, all as are designated on the recorded Subdivision Plat of the Property.

1.11 OWNER. "Owner" shall mean and refer to the record Owner, other than Declarant whether one (1) or more persons or entities, of a fee simple title to any Lot and shall include the homebuilder, but shall exclude those having such interest merely as security for the performance of an obligation. However, the term "Owner" shall include any Lienholder or Mortgagee who acquires fee simple title to any Lot which is a part of the Property, through deed in lieu of foreclosure or through judicial or non judicial foreclosure.

1.12 PROPERTY, PREMISES OR DEVELOPMENT. "Property," "Premises" or "Development" shall mean and refer to that certain real property known as VERSAILLES, a subdivision to the City of Southlake, Tarrant County, Texas as described on Exhibit "A" hereto.

1.13 SUBDIVISION PLAT. "Subdivision Plat" shall mean or refer to the map or plat which has been or will be filed with respect to the Property in the Map or Plat Records of Tarrant County, Texas, as same may be amended from time to time.

1.14 CITY. "City" shall mean the City of Southlake, Tarrant County, Texas.

ARTICLE II

VERSAILLES HOMEOWNERS ASSOCIATION, INC.

2.1 ESTABLISHMENT OF THE ASSOCIATION. The formal establishment of the Versailles Homeowners Association will be accomplished by the filing of the Articles of Incorporation of the Versailles Homeowners Association, Inc. with the Secretary of State for the State of Texas and the subsequent issuance by the Secretary of State of the Certificate of Incorporation of the Versailles Homeowners Association, Inc.

2.2 ADOPTION OF BY-LAWS. By-Laws for the Versailles Homeowners Association will be established and adopted by the Board of Directors of the Versailles Homeowners Association.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

3.1 MEMBERSHIP. Declarant, during the time it owns any Lots and each person or entity who is a record Owner, including any successive buyer(s), of a fee or undivided fee interest in any Lot or Lots shall automatically and mandatorily become a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No Owner shall have more than one (1) membership. Membership shall be appurtenant to and may not be separated from any ownership of any Lot which is subject to assessment by the Association. Transfer of ownership, either voluntarily or by operation of law, shall terminate such Owner's membership in the Association, and membership shall be vested in the transferee; provided, however, that no such transfer shall relieve or release such Owner from any personal obligation with respect to assessments which have accrued prior to such transfer.

3.2 VOTING RIGHTS. The Association shall have two (2) classes of voting membership:

(a). Class "A." The Class "A" Members shall be all Owners. The Class "A" Members shall be entitled to one (1) vote for each Lot owned. When more than one (1)

person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

(b). Class "B." The Class "B" Member shall be Declarant. The Declarant shall be entitled to five (5) votes for each Lot it owns; provided however, that Declarant shall cease to be a Class "B" Member and shall become a Class "A" Member entitled to one (1) vote per Lot on the happening of either of the following events:

(i). when the total votes outstanding in the Class "A" membership exceeds the total votes outstanding in the Class "B" membership, or

(ii). the expiration of ten (10) years from the recording date of this Instrument in the Deed Records of Tarrant County, Texas.

3.3 NO CUMULATIVE VOTING. At all meetings of the Homeowners' Association, there shall be no cumulative voting. Prior to all meetings, the Board of Directors shall determine the total number of votes outstanding and entitled to vote by the Members.

ARTICLE IV
COVENANT FOR ASSESSMENTS

4.1 CREATION OF THE LIEN AND PERSONAL OBLIGATION OF ASSESSMENTS. Each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be expressed in any such deed or other conveyance, covenants and agrees to pay to the Association: (i) annual assessments or charges, and (ii) special assessments for capital improvements. Such assessments (collectively, the "Assessments") are to be fixed, established and collected as provided herein. Assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the Lot and shall be secured by a continuing lien which is hereby created and impressed for the benefit of the Association upon the Lot against which each such Assessment is made. Each such Assessment, together with such interest costs and reasonable attorney's fees shall also constitute a personal obligation of the person or entity who was the record Owner of such Lot at the time of the Assessment. The personal obligation for delinquent Assessments shall not pass to successors in title unless expressly assumed by such successors, however the lien upon the Lot shall continue until paid.

4.2 PURPOSE OF ASSESSMENTS. The Assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the Owners, the improvement and maintenance of the Areas of Common Responsibility and any other property owned by the Association, and the performance and/or exercise of the rights and obligations of the Association arising hereunder. Assessments shall include, but not be limited to, funds to cover actual Association costs for all taxes, insurance, repair, replacement,

and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting.

4.6 UNIFORM RATE OF ASSESSMENT. Both the regular annual and Special Assessments shall be fixed at a uniform rate for all Lots, and shall commence and be due in accordance with the provisions of Section 4.7 hereof. Each Owner shall pay one hundred percent (100%) of the established Assessment for each Lot he or it owns. Declarant shall pay twenty-five percent (25%) of the established Assessment for each Lot it owns.

4.7 DATE OF COMMENCEMENT OF ANNUAL ASSESSMENTS; DUE DATES

(a). The obligation to pay regular annual assessments provided for herein shall commence on the first day of the month next following Declarant's conveyance of Lot 1, Block 1, "Common Area 1, the Community Center", to the Association. The Assessments shall be due on such payment dates as may be established by the Association. Assessments shall be due and payable on an annual basis unless otherwise designated by the Association.

(b). As long as Declarant is a Class "B" Member (pursuant to Section 3.2 hereof), Declarant shall pay the deficiency resulting in the event the cost of maintenance exceeds the amount of the Assessments received from the Owners; provided, however, in such event, Declarant shall not otherwise be required to pay Assessments with respect to portions of the Property owned by Declarant; and further, provided, however, in no event shall Declarant be required to pay an amount which is in excess of one hundred percent (100%) of the established Assessment for each Lot it owns. When the Declarant is converted to a Class "A" Member, the Declarant (i) shall no longer be responsible for contributing shortfalls outlined in the preceding sentence but rather, (ii) shall commence making regular annual and Special Assessments pursuant to Sections 4.3 and 4.4 hereof calculated on the number of Lots Declarant then owns.

(c). The annual Assessment for the first Assessment year shall be fixed by the Association prior to the sale of the first Lot to an Owner. Except for the first Assessment year, the Association shall fix the amount of the annual Assessment at least sixty (60) days in advance of each Assessment year, which shall be the calendar year; provided, however, that the Association shall have the right to adjust the regular annual Assessment upon thirty (30) days written notice given to each Owner, as long as any such adjustment does not exceed the maximum permitted pursuant to Section 4.3 hereof. Written notice of the regular annual Assessment shall be given as soon as is practicable to every Owner subject thereto. The Association shall, upon demand at any time, furnish a certificate in writing signed either by the President, Vice President or the Treasurer of the Association setting forth whether the annual and special Assessments on a specified Lot have been

paid and the amount of any delinquency. A reasonable charge may be made by the Association for the issuance of these certificates. Such certificates shall be conclusive evidence of payment of any Assessment therein stated to have been paid.

(d). No Owner may exempt himself from liability for Assessments by waiver of the use or enjoyment of any portion of the Development or Open Space or by abandonment of his Home.

4.8 EFFECT OF NON-PAYMENT OF ASSESSMENTS: REMEDIES OF THE ASSOCIATION.

(a). All payments of the Assessments shall be made to the Association at its principal place of business in Tarrant County, Texas, or at such other place as the Association may otherwise direct or permit. Payment shall be made in full regardless of whether any Owner has any dispute with Declarant, the Association, any other Owner or any other person or entity regarding any matter to which this Declaration relates or pertains. Payment of the Assessments shall be both a continuing affirmative covenant personal to the Owner and a continuing covenant running with the Property.

(b). Any Assessment provided for in this Declaration which is not paid when due shall be delinquent. If any such Assessment is not paid within thirty (30) days after the date of delinquency, the Assessment shall bear interest from the date of delinquency, until paid, at the rate of ten percent (10%) per annum or the maximum rate allowed by law, whichever is the lesser. The Association may, at its option, bring an action at law against the Owner personally obligated to pay the same; or, upon compliance with the notice provisions hereof, foreclose the lien against the Lot as provided in Subsection 4.8(d) hereof. There shall be added to the amount of such Assessment the costs of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include said interest and a reasonable attorney's fee, together with costs of action. Each Owner vests in the Association or its assigns, the right and power to bring all actions at law or in equity foreclosing such lien against such Owner, and the expenses incurred in connection therewith, including interest, costs and reasonable attorney's fees shall be chargeable to the Owner in default. Under no circumstances, however, shall Declarant or the Association be liable to any Owner or to any other person or entity for failure or inability to enforce or attempt to enforce any Assessments.

(c). No action shall be brought to foreclose said Assessment lien or to proceed under the power of sale herein provided in less than thirty (30) days after the date a notice of claim of lien is deposited with the postal authority, certified or registered, postage prepaid, to the Owner of said Lot, and a copy thereof is recorded by the

Association in the Office of the County Clerk of Tarrant County, Texas. Said notice of claim must recite a good and sufficient legal description of any such Lot, the record Owner or reputed Owner thereof, the amount claimed (which may, at the Association's option, include interest on the unpaid Assessment at the maximum legal rate, plus reasonable attorney's fees and expenses of collection in connection with the debt secured by said lien), and the name and address of the Association.

(d). Any such sale provided for above is to be conducted in accordance with the provisions applicable to the exercise of powers of sale in mortgages and deeds of trust, as set forth in Section 51.002 of the Property Code of the State of Texas, or in any other manner permitted by law. Each Owner, by accepting a deed to a Lot, expressly grants to the Association a power of sale as set forth in said Section 51.002 of the Property Code, in connection with the Assessment lien. The Association, through duly authorized agents, shall have the power to bid on the Lot at foreclosure sale and to acquire and hold, lease, mortgage and convey the same.

(e). Upon the timely curing of any default for which a notice of claim of lien was filed by the Association, the officers of the Association are hereby authorized to file or record, as the case may be, an appropriate release of such notice, upon payment by the defaulting Owner of a fee, to be determined by the Association but not to exceed the actual cost of preparing and filing or recording the lien and the release.

(f). The Assessment lien and the right to foreclosure sale hereunder shall be in addition to and not in substitution of all other rights and remedies which the Association and its successors or assigns may have hereunder and by law, including the right of suit to recover a money judgment for unpaid Assessments, as above provided.

4.9 SUBORDINATION OF THE LIEN TO FIRST MORTGAGES. The lien securing the Assessments provided for herein shall be subordinate to the lien of any first lien mortgage. The sale or transfer of any Lot shall not affect the Assessment lien. However, the sale or transfer of any first lien mortgage, pursuant to a decree of foreclosure or a non-judicial foreclosure under such first lien mortgage or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such Assessments as to payments thereof which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any Assessment thereafter becoming due, in accordance with the terms herein provided.

4.10 MANAGEMENT AGREEMENTS. The Association shall be authorized to enter into management agreements with third parties in connection with the operation and management of the development and the performance of its obligations hereunder. A copy of all such agreements shall be available to each Owner. Any and all management agreements entered into by the Association shall provide that said management agreement may be canceled with or

without cause and without penalty by either party with thirty (30) days written notice. Any and all management agreements shall be for a term not to exceed one (1) year and shall be made with a professional and responsible party or parties with proven management skills and experience managing a project of this type. The Association may, at its discretion, assume self management of the development by the Association.

4.11 INSURANCE REQUIREMENTS. The Association through the Board, or its duly authorized agent, shall obtain insurance policies covering the Areas of Common Responsibility and Open Space and covering all damage or injury caused by the negligence of the Association, any of its employees, officers, directors and/or agents, commercial general liability insurance, directors and officers liability insurance, and such other insurance as the Association may from time to time deem necessary or appropriate.

ARTICLE V
PROPERTY RIGHTS

5.1 USE OF OPEN SPACE. It is proposed that the Open Space, including the Areas of Common Responsibility, will be improved only to the extent of landscaping and plantings, including such screening fences and walls as are prudent for security and safety to the Property. As such, the Association shall not, except as the Association may reasonably deem appropriate to comply with applicable laws or to protect the health, safety or welfare of the Development or the Members, or allow any interference or conflict with the natural or planted vegetation or trees in the Areas of Common Responsibility. The foregoing shall not imply any obligation on the part of the Declarant or the Association to provide any particular enhancement to the Open Space or render the Association in any way responsible for the actions of any Members or other parties on or in connection with the Open Space, unless such actions are undertaken at the written instructions of the Association. The Association shall have the following rights with regard to the Open Space:

- (i) the right to dedicate or transfer all of any part of the Open Space to any public agency or authority subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless (i) an instrument of agreement to such dedication or transfer, signed by two-thirds (2/3) of each class entitled to vote (determined pursuant to Section 3.2 hereof) is properly recorded, in the Deed Records of Tarrant County, Texas, and (ii) a written notice of proposed action under this Section is sent to every Owner (including Lienholders or Mortgagees) not less than thirty (30) days, nor more than sixty (60) days in advance of said action;

(ii). the right to borrow money to be secured by a lien against the Open Space; however, the rights under such improvement mortgage shall be subordinate and inferior to the rights of the Owners hereunder; and

(iii). the right to enter upon and make rules and regulations relating to the use of the Open Space.

5.2 TITLE TO THE OPEN SPACE. The Declarant shall dedicate and convey to the Association (at such time Declarant shall deem appropriate but in any event prior to the sale and conveyance of all Lots comprising the Property), without consideration, the fee simple title to the Open Space (Lot 1, Block 1, Common Area 1), owned by Declarant free and clear of monetary liens and encumbrances other than those created in this Declaration.

ARTICLE VI ARCHITECTURAL REVIEW COMMITTEE

No building or other structure, fence, wall, parking area, swimming pool, spa, pole, mail box, driveway, fountain, pond, tennis court, sign, exterior illumination, change in exterior color or shape, or new or modification of a structure shall be commenced, erected or maintained upon any Lot or the patio or garage used in connection with any Lot after the purchase of any Lot from Declarant, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials and location of the same are submitted to and approved in writing by the Architectural Review Committee (the "Committee") which shall be composed of three (3) representatives appointed by Declarant (during such time Declarant owns any Lots) and thereafter by the Association. Plans and specifications shall be submitted to the Committee at least fourteen (14) days prior to the commencement of any construction or modification. The following shall be submitted for approval: a site plan showing the entire Lot with existing improvements, and floor plan and elevations of all faces of the proposed structure; and a description of all exterior construction materials. A copy of the above described plans and specifications shall be retained by the Committee. The Committee shall review the plans and specifications and notify the Owner in writing of its approval or disapproval. If the Committee fails to approve or disapprove said plans and specifications within fourteen (14) days after the same has been submitted to it, they will be deemed to have been disapproved by the Committee. Any written disapproval shall set forth the elements disapproved and the reason or reasons thereof. The judgment of the Committee in this respect in the exercise of its sole and absolute discretion shall be final and conclusive and the Owner shall promptly correct the plans and specifications (if disapproved) and resubmit them for approval if desired. No construction, alteration, change or modification shall commence until approval of the Committee is obtained. The Committee may approve any

ARTICLE VII

CONSTRUCTION OF IMPROVEMENTS AND USE OF LOTS

7.1 RESIDENTIAL USE. The Property shall be used for single-family residential purposes only. No building shall be erected, altered, placed or permitted to remain on any Lot other than one (1) detached single family residence per Lot, which residence may not exceed two (2) stories in height and a private, enclosed garage as provided below, which residence shall be constructed to minimum property standards established by the Federal Housing Authority ("FHA") and in accordance with the Building Code and Specifications of the City, unless otherwise approved in writing by the Committee (as hereinafter defined).

7.2 SINGLE-FAMILY USE. Each residence shall be limited to occupancy by only ONE family consisting of persons related by blood, adoption or marriage, or no more than two (2) unrelated persons residing together as a single housekeeping unit, in addition to any household or personal servant staff.

7.3 GARAGE REQUIRED. Each residence shall have a fully enclosed garage suitable for parking a minimum of two (2) standard size automobiles, which garage shall conform in design and materials with the main structure. No open sided "car ports" shall be permitted. All garages must be equipped with an electric remote controlled garage door opener. Wherever possible, garage door openings should be directed to the side or rear of the Lot. Front opening garages (i.e. doors facing the street) are not preferred and alternate positioning of the garage is encouraged. Where front opening garage doors are approved, by the Committee, the front of the garage shall be located a minimum of forty feet (40') behind the front building line. On corner Lots, garages shall not face directly to the side street.

7.4 RESTRICTIONS ON RESUBDIVISION. No Lot shall be subdivided into smaller Lots.

7.5 DRIVEWAYS. All driveways shall be constructed of concrete or similar material subject to the written approval of the Committee.

7.6 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 on any Lot except that the builder or contractor may have temporary improvements (such as a sales office and/or construction trailer) on a specifically permitted Lot during construction of the residence on that Lot. No building material of any kind or character shall be placed or stored upon the Property until

01-1-5-2-1-0
4-0-5-7-0-3-7

quiet and health and safety of the community. No more than four (4) pets will be permitted on each Lot. Pets must be restrained or confined to the homeowner's rear yard within a secure fenced area or within the house. It is the pet owner's responsibility to keep the Lot clean and free of pet debris or odor noxious to adjoining Lots. All animals must be properly registered (if required by City, Tarrant County or Texas state law) and tagged for identification in accordance with local ordinances.

(i). No Lot or other area of the Property shall be used as a dumping ground for rubbish or accumulation of unsightly materials of any kind, including without limitation broken or rusty equipment, disassembled or inoperative cars and discarded appliances and furniture. Trash, garbage or other waste shall not be kept except in sanitary containers and all such containers shall be kept in clean and sanitary condition. Materials incident to construction of improvements may only be stored on Lots during construction of the improvement thereon. During the construction (or reconstruction) period on any Lot, if indoor plumbing facilities are not available on the Lot for construction workers, a portable job toilet shall be placed on the Lot during the period of construction. Such toilet shall be positioned a minimum of fifty (50) feet from any street or adjacent occupied dwelling. During any period of construction or reconstruction, erosion control measures for the protection of adjacent lots and/or streets shall be the responsibility of the Owner (Builder) and the use of silt fences or hay bales shall be required.

(j). No individual water supply system shall be permitted on any Lot.

(k). No individual sewage disposal system shall be permitted on any Lot.

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

(m). No air-conditioning apparatus shall be installed on the ground in front of a residence nor 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.

(n). Except with the written permission of the Committee, no antennas, satellite dishes or other equipment for receiving or sending sound or video signals shall be permitted in or on the Property except antennas for AM or FM radio reception and UHF and VHF television reception. Such antennas shall be located inside the attic of the main residential structure or garage except that, with the written permission of the Committee, one (1) antenna may be permitted to be attached to the roof of the main residential structure not to extend above said roof more than a maximum of six (6.0) feet and one (1) satellite dish or similar antenna may be placed in the rear yard of a Lot so long as it is completely screened from view from any adjacent street, Lot or public area.

0
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

(o). No Lot or improvement thereon shall be used for a business, professional, commercial or manufacturing purposes of any kind. No business activity shall be conducted on the Property which is not consistent with single family residential purposes. No noxious or offensive activity shall be undertaken on the Property, nor shall anything be done which is or may become an annoyance or nuisance to the neighborhood. Nothing in this subparagraph shall prohibit a builder's temporary use of a residence as a sales/construction office for so long as such builder is actively engaged in construction on the Property. 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' peaceful use and enjoyment of their residences and yards.

(p). No fence, wall, hedge or shrub planting which obstructs sight lines at an elevation between three (3) and six (6) feet above the roadway shall be placed or permitted to remain on any corner Lot within the triangular area formed by the street right-of-way lines and a line connecting them at points ten (10) feet from the intersection of the street right-of-way lines, or in the case of a rounded property corner, ten (10) feet from the intersection of the street right-of-way lines as extended. The same sight-line limitations shall apply on any Lot for that area that is ten (10) feet from the intersection of a street right-of-way line with the edge of a residence driveway or alley pavement. No tree shall be permitted to remain within such distance of such intersections unless the foliage line is maintained at a minimum height of six (6) feet above the adjacent ground line.

(q). 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 on the Property.

(r). Within those easements on each Lot as designated on the Subdivision Plat of the Development, no improvement, structure, planting or materials shall be placed or permitted to remain which might damage or interfere with the installation, operation and maintenance of public utilities, or which might alter the direction of flow within drainage channels or which might obstruct or retard the flow of water through drainage channels.

(s). The general Lot pad elevation, grading, slope and drainage plan of a Lot as established by the approved Development plans may not be altered without the approval of the Committee or where such grading or elevation is an integral part of the City approved development improvements, by the City. Any alteration to such grading plan

0 11255 032409

which, in the sole judgment of the Committee, creates a need for a retaining wall or walls to provide slope protection for an adjacent Lot or Lots, shall require such wall construction by the Owner of such Lot altering such grading plan. Where no alteration of the grading plan is proposed, any wall construction shall be the obligation of the Owner of the higher elevation Lot. All retaining walls shall be constructed of milsap stone or Committee approved equal, or of the same brick or stone utilized on the main residential structure and shall be a maximum of four feet (4') in height. Railroad ties or wooded timber or post retaining walls are not permitted.

(t). No sign of any kind or character shall be displayed to the public view on any Lot except for one (1) professionally fabricated sign of not more than six (6) square feet advertising the property for rent or sale, or signs used by a builder to advertise the property during the construction and sales period. Declarant or its agents shall have the right to remove any sign, billboard or other advertising structure that does not comply with the above, and in so doing shall not be subject to any liability for trespass or any other liability in connection with such removal.

(u). Outdoor clothes lines and drying racks visible to adjacent Properties are expressly prohibited. Owners or residents of Lots where the rear yard is not screened by solid fencing or other such enclosures, shall construct a drying yard or other suitable enclosure or screening to shield from public view clothes drying racks, yard maintenance equipment and/or storage of materials.

(v). Except within fireplaces in the main residential dwelling and equipment for outdoor cooking, no burning of anything shall be permitted anywhere on the Property.

7.7 MINIMUM FLOOR AREA. 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, patio and detached accessory buildings), shall be not less Two Thousand Seven Hundred Fifty (2,750) square feet. On two-story structures, the minimum air conditioned area of the ground floor shall be not less than sixty-five per cent (65%) of the total air conditioned area of the residential structure.

7.8 BUILDING MATERIALS. The total exterior wall area (excluding windows, doors and gables) of each residence constructed on a Lot shall not be less than eighty percent (80%) brick, brick veneer, stone, stone veneer, or other masonry material approved by the Committee (but not less than the minimum percentage as established by the City by ordinance or building code requirement). Windows, doors and other openings, gables and other areas above the height of the top of standard height first-floor windows are excluded from calculation of total exterior wall area. All roofing shall be a minimum 240 lb/square Fiberglas material of the Elk "Prestique II" type, or approved equal, variegated pitch, in "Weathered Wood" or other

7.14 CHIMNEY FLUES. Chimney stacks on front and side exterior walls of the dwelling structure or that are visible from the street shall be enclosed One Hundred Percent (100%) in brick on all faces visible to adjacent streets and Lots. Chimney caps shall be of the flat top, metal, screened side type. No "stove-pipe hat" metal chimney caps shall be permitted.

7.15 WINDOWS. Windows jambs and mullions shall be composed of anodized aluminum or wood. All aluminum windows on any front elevation of a residence shall have baked-on painted aluminum divided light windows (no mill finish).

7.16 LANDSCAPING. Landscaping of each Lot shall be completed within sixty (60) days after the Home construction is completed, subject to extension for delays caused by inclement weather, and shall include fully sodded grassed front and side yards, a minimum of twenty (20) five (5) gallon shrubs, and a minimum of two (2) six inch (6") or four (4) three inch (3") caliper trees. All front and side building setback yards shall have an automatic underground irrigation system installed by the Owner of a type approved by the City.

7.17 GENERAL MAINTENANCE.

(a). Following occupancy of the Home upon any Lot, each Owner shall maintain and care for the Home, all improvements and all trees, foliage, plants, and lawns on the Lot and otherwise keep the Lot and all improvements thereon in good condition and repair and in conformity with the general character and quality of properties in the immediate area, such maintenance and repair to include but not be limited to: (i) the replacement of worn and/or rotted components; (ii) the regular painting of all exterior surfaces; (iii) the maintenance, repair and replacement of roofs, rain gutters, downspouts, exterior walls, windows, doors, walks, drives, parking areas and other exterior portions of the Home to maintain an attractive appearance; and (iv) regular mowing and edging of lawn and grass areas. Upon failure of any Owner to maintain a Lot owned by him in the manner prescribed herein, the Declarant or the Association, or either of them, at its option and discretion, but without any obligation to do so, but only after ten (10) days written notice to such Owner to comply herewith, may enter upon such Owner's Lot and undertake to maintain and care for such Lot to the condition required hereunder and the Owner thereof shall be obligated, when presented with an itemized statement, to reimburse said Declarant and/or Association for the cost of such work within ten (10) days after presentation of such statement. This provision, however, shall in no manner be construed to create a lien in favor of any party on any Lot for the cost or charge of such work or the reimbursement for such work.

(b). The Association shall operate, maintain, repair and, if required, replace the masonry screening wall located along the South Carroll Avenue property lines of: Lots 1, 2, 3 & 4, Block 1; Lots 29-35, Block 2; and Lots 1-14, Block 5. A ten (10) foot wide

operation, maintenance and re-construction easement parallel and adjacent to said property line(s) is hereby reserved in favor of Declarant and the Association for the performance hereof.

(c). The Association shall be responsible for the use, operation, maintenance, and/or supervision of all facilities, structures, improvements, systems, areas or grounds in the Areas of Common Responsibility.

ARTICLE VIII GENERAL PROVISIONS

8.1 EASEMENTS. Easements for the installation and maintenance of public utilities and drainage facilities are reserved as shown on the Subdivision Plat. Easements are also reserved for the installation, operation, maintenance and ownership of utility service lines from the Lot property lines to the residences located thereon. Declarant reserves the right to make changes in and additions to the above easements for the purpose of the most efficient and economical installation of such improvements.

8.2 ENFORCEMENT. The Declarant or the Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration, the By-Laws and Articles of Incorporation. Failure by the Association or by any Owner to enforce any covenant, condition or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. With respect to any litigation hereunder, the prevailing party shall be entitled to recover reasonable attorneys fees from the non prevailing party.

8.3 SEVERABILITY. Invalidation of any one (1) of these covenants or restrictions by judgment of court order shall in no wise affect any other provisions which shall remain in full force and effect.

8.4 TERM. The covenants, conditions and restrictions of this Declaration establishing and creating the Association shall run with and bind the Property, and shall inure to the benefit of and be enforceable by Declarant (during the time it owns any Lots), the Association, or the Owner of any Lot subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of twenty-five (25) years from the date this Declaration is recorded, after which time said covenants shall be automatically renewed for successive periods of ten (10) years, unless by vote, the then Owners of 67% of the Lots (and, if required by then applicable City ordinance, the prior written approval thereof by the City) agree in writing to terminate or change this Declaration in whole or in part and such writing is recorded in the Real Property Records of Tarrant County, Texas.

8.5 AMENDMENT.

(a). This Declaration may be amended or modified upon the express written consent of at least sixty-six and two thirds percent (66 2/3%) of the outstanding votes (determined pursuant to Section 3.2 hereof) held by Members at a meeting at which a quorum is present. If required by applicable Ordinance at the time of such proposed amendment or modification, written approval of the City shall also be obtained for any such amendment or modification. Notwithstanding the foregoing, Declarant shall have the right to execute and record amendments to this Declaration without the consent or approval of any other party if the sole purpose of the amendment is for the purpose of correcting technical errors or for purposes of clarification, to the extent said amendments affect no portion of the Association's agreements, covenants, conditions or restrictions pertaining to the use, operation, maintenance and/or supervision of any facilities, structures, improvements, systems, areas or grounds that are the responsibility of the Association. Any and all amendments hereto, if any, shall be recorded in the office of the County Clerk of Tarrant County, Texas.

(b). Declarant intends that this Declaration may be amended to comply (if not in compliance) with all requirements of the Federal Home Loan Mortgage Corporation ("FHLMC"), Federal National Mortgage Association ("FNMA"), FHA and VA. Notwithstanding anything to the contrary contained herein, if this Declaration does not comply with FHLMC, FNMA, VA or FHA requirements, the Board and/or the Declarant shall have the power in its discretion (on behalf of the Association and each and every Owner) to amend the terms of this Declaration or to enter into any agreement with FHLMC, FNMA, VA, and FHA, or the respective designees, reasonably required by FHLMC, FNMA, VA or FHA to allow this Declaration to comply with such requirements. Should the FHLMC, FNMA, VA or FHA subsequently delete any of their respective requirements which necessitate any of the provisions of this Declaration or make any such requirements less stringent, the Board and/or the Declarant, without approval of the Owners, may cause an amendment to this Declaration to be executed and recorded to reflect such changes.

8.6 GENDER AND GRAMMAR. The singular wherever used herein shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or individuals, men or women, in all cases shall be assumed as though fully expressed in each case.

8.7 ENFORCEMENT. Enforcement of these covenants, conditions and restrictions shall be by any proceeding at law or in equity, including, without limitation, an action for injunctive relief, it being acknowledged and agreed that a violation of the covenants, conditions

and restrictions contained herein could cause irreparable injury to Declarant and/or the other Owners and that the Declarant's and/or the other Owner's remedies at law for any breach of the Owners' obligations contained herein would be inadequate. Enforcement may be commenced by the Association, the Declarant, or any Owner against any person or persons violating or attempting to violate any covenant, condition or restriction; and failure by the Association, the Declarant or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

8.8 NOTICES TO MEMBER / OWNER. Any notice required to be given to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly delivered forty-eight (48) hours after deposited in the United States Mail, postage prepaid, certified or registered mail, and addressed to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing.

8.9 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. Words of any gender used herein shall be held and construed to include any other gender and words in the singular shall be held to include the plural and vice versa unless the context requires otherwise.

8.10 FORMATION OF ASSOCIATION, INSPECTION OF DOCUMENTS, BOOKS AND RECORDS. The Association shall be formed by Declarant as a non-profit corporation in accordance with the laws of the State of Texas. Management and governance of the Association shall be implemented and/or undertaken in accordance with its Articles of Incorporation, in accordance with this Declaration, and in accordance with the By-Laws which shall be adopted by the Association following its formation. The Association shall make available at reasonable cost copies of the Declaration, By-Laws, Articles of Incorporation, rules and regulations governing the Association. All minute books, meeting and other records and financial statements of the Association shall be held available for inspection by any Owner or any Mortgagee during normal business hours or at such other reasonable times as the Board may approve.

8.11 INDEMNITY. The Association shall indemnify, defend and hold harmless Declarant, the Board, the Committee and each director, officer, employee and agent of Declarant, the Board and the Committee from all judgments, penalties (including excise and similar taxes), fines, settlements and reasonable expenses (including attorneys' fees) incurred by such indemnified person under or in connection with this Declaration or the Property to the fullest extent permitted by applicable law. Such indemnity to include matters arising as a result of the sole or concurrent negligence of the indemnified party, to the extent permitted by applicable law.

8.12 FHA / VA APPROVAL REQUIREMENT. As long as there remains any Class B membership AND any first lien mortgage is then in effect with respect to any Lot which is insured by FHA or VA, the following actions shall require prior approval of FHA or VA (to the extent such approval is required under then applicable FHA or VA regulations): amendment of the Articles of Incorporation, Declaration or Bylaws; annexation of additional property; mortgaging or dedication of the Open Space; and/or dissolution of the Association.

8.13 FAILURE OF ASSOCIATION TO PERFORM DUTIES. Should the Association fail to carry out its duties as specified in this Declaration, the City or its lawful agents shall have the right and ability, after due notice to the Association, to remove any landscape systems, features or elements that are the responsibility of and cease to be maintained by the Association; to perform the responsibilities of the Association if the Association fails to do so in compliance with any of the provisions of this Declaration or of any applicable City codes or regulations; to assess the Association for all costs incurred by the City in performing said responsibilities if the Association fails to do so; and/or to avail itself of any other enforcement actions available to the City pursuant to state law or City codes and regulations. Should the City exercise its rights as specified above, the Association shall indemnify and hold the City harmless from any and all costs, expenses, suits, demands, liabilities or damages, including attorney's fees and costs of suit, incurred or resulting from the City's removal of any landscape systems, features or elements that cease to be maintained by the Association or from the City's performance of the aforementioned operations, maintenance or supervision responsibilities of the Association due to the Association's failure to perform said duties. The obligations described in this paragraph are solely obligations of the Association, and no other party, including without limitation, the Declarant or any Owner, shall have any liabilities or obligations in connection therewith.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereto set its hand this the 28th day of July, 1996.

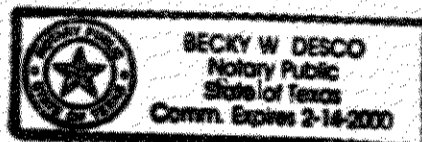
VERSAILLES, LTD.,
a Texas limited partnership

By: D.D. PARTNERS, INC.,
a Texas corporation,
General Partner

By: John F. Dickerson
John F. Dickerson, President

THE STATE OF TEXAS)
)
COUNTY OF DALLAS)

This instrument was acknowledged before me on the 28th day of July, 1996,
by John F. Dickerson, President of D.D. Partners, Inc., a Texas corporation, General Partner of
VERSAILLES, LTD., a Texas limited partnership, known to me to be the person whose name is
subscribed to the foregoing instrument and acknowledged to me that he has executed the same
for the purposes and consideration therein expressed and in the capacity therein stated.



Becky W. Desco
NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS
Becky W. Desco
(Printed Name of Notary)
My Commission Expires:
02/14/2000

Unofficial

COPY

EXHIBIT "A"

BEING 103 Lots out of VERSAILLES, an addition to the City of Southlake, Texas according to the recorded plat thereof filed of record in Cabinet A, Slide 2990 of the Map Records of Tarrant County, Texas and more particularly described as follows:

Common Area, Lot 1, Block 1;
Lots 2 through 4, Block 1;
Lots 1 through 35, Block 2;
Lots 1 through 21, Block 3;
Lots 1 through 29, Block 4 and;
Lots 1 through 14, Block 5,

being a total of 103 lots.

Unofficial Copy

HANK DICKERSON & Co.
8333 DOUGLAS AVE ST. 1300
DALLAS, TX 75225

Unofficial Copy

D196145237
HANK DICKERSON & CO
8333 DOUGLAS AVE #1300
DALLAS, TX 75225

-W A R N I N G-T H I S I S P A R T O F T H E O F F I C I A L R E C O R D -- D O N O T D E S T R O Y

I N D E X E D -- T A R R A N T C O U N T Y T E X A S
S U Z A N N E H E N D E R S O N -- C O U N T Y C L E R K
O F F I C I A L R E C E I P T

T O : D A N N Y S A T S K Y

RECEIPT NO	REGISTER	RECD-BY	PRINTED DATE	TIME
196266273	DR96	T000224	07/29/96	12:58

	INSTRUMENT	FEECD	INDEXED	TIME	
1	D196145237	WD	960729	12:58	CK 1572

T O T A L : D O C U M E N T S : 0 1 F E E S : 6 1 . 0 0

B Y : MA

ANY PROVISION WHICH RESTRICTS THE SALE RENTAL OR USE
OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE
IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.