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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

PECAN VALLEY

Dallas County, Texas

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FOR
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF
PECAN VALLEY

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May 97

CHANGES TO THE
PECAN VALLEY HOMEOWNERS' ASSOCIATION
CCRS

The following changes the to CCRs passed by a vote of two-thirds of the members. The changes are provided for members to add to their existing regulations.

The section now reads:

ARTICLE IV, 4.5 NOTICE AND QUORUM FOR ANY ACTION AUTHORIZED UNDER SECTIONS 4.3 AND 4.4...At a called meeting, the presence of Members or proxies entitled to cast sixty percent (60%) of all the votes entitled to be cast by the Members of the Association shall constitute a quorum.

The change to this section reads as follows:

ARTICLE IV, 4.5 NOTICE AND QUORUM FOR ANY ACTION AUTHORIZED UNDER SECTIONS 4.3 AND 4.4...At a called meeting, a vote of twenty percent (20%) of the members or homeowners present shall constitute a quorum.

This section is added to the CCRs.

ARTICLE I, 1.2 AREAS OF COMMON RESPONSIBILITY. "Fencing surrounding the boundaries of the subdivision and at the entrances on Park Valley Drive and Pecan Hollow Drive will be areas of common responsibility and maintained by the homeowners' association."

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

PECAN VALLEY

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS
COUNTY OF DALLAS §

THIS DECLARATION, made on the date hereinafter set forth by EVERFINE/GATEWAY PARTNERSHIP, a Texas partnership, for the purpose of evidencing the covenants, conditions and restrictions contained herein.

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in the County of Dallas, State of Texas known as PECAN VALLEY and which is more particularly described on Exhibit "A" attached hereto and incorporated herein for all purposes.

NOW THEREFORE, Declarant hereby declares that all of the property described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the property. These easements, covenants, restrictions and conditions shall run with the real property and be binding on all parties having or acquiring any right, title or interest in the above described Property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of Declarant and each Owner thereof.

ARTICLE I

DEFINITIONS

1.1 ASSOCIATION. "Association" shall mean and refer to PECAN VALLEY HOMEOWNER'S ASSOCIATION, INC., its successors and assigns.

1.2 AREAS OF COMMON RESPONSIBILITY. "Areas of Common Responsibility" shall mean that portion of the Property owned by the Association for the common use and enjoyment of the Members of the Association including, but not limited to, all of the Property (except for the Lots) _____

1.3 DECLARANT. The term "Declarant" shall mean Everfine/Gateway Partnership and its successors and assigns.

1.4 HOME. "Home" shall mean a single-family residential unit constructed on a Lot, including the parking garage utilized in connection therewith and the Lot upon which the Home is located.

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

1.6 LOT. "Lot" shall mean and refer to those ^{52 Ref} ~~fifty-eight (58)~~ certain tracts or parcels of land within the existing Property and more particularly shown in Exhibit "A" hereto (excluding the Areas of Common Responsibility).

Declarant is the owner of all of said Lots SAVE AND EXCEPT only those particular Lots which Declarant conveys in fee simple title by recordable deed from and after the date hereof.

1.7 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 in the Association.

1.8 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 homebuilders 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 a deed in lieu of foreclosure or through judicial or nonjudicial foreclosure.

1.9 PROPERTY, PREMISES OR DEVELOPMENT. "Property" shall mean and refer to that certain real property known as the Pecan Valley and described as Exhibit "A" hereto.

ARTICLE II

PROPERTY RIGHTS

2.1 OWNER'S EASEMENTS OF ENJOYMENT. Each Owner shall have a right and easement of enjoyment in and to the Areas of Common Responsibility and such easement shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

a. the right of the Association to suspend a Member's voting rights for any period during which any assessment against his Lot remains unpaid;

b. the right of the Association to dedicate or transfer all or any part of the Areas of Common Responsibility 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 Dallas 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;

c. the right of the Association, in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the Areas of Common Responsibility and, subject to the consent of all Lienholders, to mortgage said property; however, the rights under such improvement mortgage shall be subordinate and inferior to the rights of the Owners hereunder;

d. Declarant and the Association shall at all times have full rights of ingress and egress over and upon the Areas of Common Responsibility for the purpose of maintaining the Areas of Common Responsibility as set forth herein; and

e. the right of the Association to make rules and regulations relating to traffic flow on street parking and other uses of the streets and drivers on the Property.

2.2 TITLE TO THE COMMON AREA. The Declarant shall dedicate and convey to the Association (at such time as any common area shall be created by the Declarant and in any event prior to the sale of the first lot), without consideration, the fee simple title to those portions of the common area owned by Declarant, free and clear of liens and encumbrances other than those created in this Declaration and such Common Area shall be accepted by the Association, in writing.

2.3 PARKING. Each Home shall have appurtenant to it at least a two (2) car garage.

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 of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association, shall be 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 three (3) 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:

(1) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or

(2) five (5) years from the filing date hereof in the Deed Records of Dallas County, Texas.

3.3 NO CUMULATIVE VOTING. At all meetings of the Owners 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 MAINTENANCE 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 of other conveyance, covenants and agrees to pay to the Association: (i) annual assessments or charges, and (ii) special assessments for capital improvements. Such assessments are to be fixed, established and collected as provided herein. The annual and special 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 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 be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due.

The personal obligation for delinquent assessments shall not pass to his 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 of the Lots and in particular for the improvement and maintenance of the Areas of Common Responsibility and services and facilities relating to the use and enjoyment thereof. Assessments shall include, but not be limited to, funds to cover actual costs of the Association for all taxes, insurance, repair, replacement and maintenance of the Areas of Common Responsibility as may from time to time be authorized by the Board of Directors; legal and accounting fees, and any fees for management services; reasonable replacement reserves and the cost of other facilities and service activities, including, but not limited to, mowing grass, grounds care, sprinkler system, landscaping, and other charges required by this Declaration of Covenants, Conditions and Restrictions and/or that the Board of Directors of the Association shall determine to be necessary to meet the primary purpose of the Association, including the establishment and maintenance of a reserve for repair, maintenance, taxes and other charges as specified herein.

4.3 BASIS AND MAXIMUM OF ANNUAL ASSESSMENTS.

a. Until January 1 of the year next following the conveyance of the first Lot to an Owner, the regular annual assessment shall be \$100.00 per Lot. Such amount shall not be prorated and shall be due when title to the Lot is conveyed.

b. From and after January 1 of the year next following the conveyance of the first Lot to an Owner, the maximum regular annual assessment may be increased by an amount up to fifty percent (50%) of the preceding year's regular annual assessment by action solely by the Board of Directors. (Any increase over and above 50% of the previous year's regular annual assessment shall be done only by the prior written approval of sixty-six and two-thirds percent (66 2/3%) of the outstanding votes (determined pursuant to Section 3.2 hereof) held by the Members at a meeting at which a quorum is present.)

4.4 SPECIAL ASSESSMENTS FOR CAPITAL IMPROVEMENT. In addition to the regular annual assessment authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction or unexpected repair or replacement of a described capital improvement upon the Areas of Common Responsibility provided that any such assessment shall have the prior written approval of sixty-six and two-thirds percent (66 2/3%) of the outstanding votes (determined pursuant to Section 3.2 hereof) held by the Members at a meeting at which a quorum is present. Any special assessments shall be prorated based on the period of time the Owner owns the Lot during such year.

4.5 NOTICE AND QUORUM FOR ANY ACTION AUTHORIZED UNDER SECTIONS 4.3 AND 4.4. Written notice of any meeting called for the purpose of taking any action authorized under Sections 4.3 and 4.4 shall be sent to all Members not less than ten (10) days nor more than twenty (20) days in advance of the meeting. (At the meeting, the presence of Members or of proxies entitled to cast sixty percent (60%) of all the votes entitled to be cast by the Members of the Association shall constitute a quorum.) If the required quorum is not present, another meeting may be called subject to the same notice and quorum requirements. In lieu of a meeting, a door to door canvass may be used to obtain the required 60% vote.

4.6 UNIFORM RATE OF ASSESSMENT. Both the regular annual and special assessments shall be fixed at a uniform rate for all Lots regardless of size and location, and shall commence and be due in accordance with the provisions of Section 4.7 hereof.

4.7 DATE OF COMMENCEMENT OF ANNUAL ASSESSMENTS; DUE DATES.

a. As to each Lot owned by an Owner, the regular annual assessments provided for herein shall commence on the 1st day of January, 1992. The assessments shall not be prorated if the ownership of a Lot commences on a date other than the first day of the assessments or the first day of the year.

b. As long as Declarant is a Class B Member pursuant to Section 3.2 hereof, Declarant shall be responsible for the difference between the cost of maintenance and the amount of the assessments received from the Owners. When the Declarant is converted to a Class A Member then the Declarant (i) shall no longer be responsible for contributing the 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 owns.

c. The annual assessments 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 thirty (30) 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 sent as soon as is practicable to every Owner subject thereto. The Association shall, upon demand at any time, furnish a certificate in writing signed by an officer or Director 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 his contribution towards the Areas of Common Responsibility by waiver of the use or enjoyment of any of the Areas of Common Responsibility 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 Dallas 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. Each Owner, and each prospective owner, is hereby placed on notice that such provision may operate to place upon him the responsibility for the payment of assessments attributable to a period prior to the date he purchased his Home.

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. 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 4.8d 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. 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. In addition, to the extent permitted by law, Declarant reserves and assigns to the Association, without recourse, a vendor's lien against each Lot to secure payment of common assessment and special assessment which is levied pursuant to the terms hereof. Such liens may be enforced by appropriate judicial proceedings and the expenses incurred in connection therewith, including interest, costs and reasonable attorney's fees shall be chargeable to the Owner in default.

c. No action shall be brought to foreclose said assessment lien or to proceed under the power of sale herein provided 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 Dallas County; said notice of claim must recite a good and sufficient legal description of any such Lot, the record Owner of reputed Owner thereof, the amount claimed (which may, at the Association's option, include interest on the unpaid assessment at the 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 Article 3810 of the Revised Civil Statutes 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 his Lot, expressly grants to the Association a power of sale, as set forth in said Article 3810 and 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. Upon written request by a Mortgagee, the Association shall provide the Mortgagee with written notice of any default by the Owner-(mortgagor) in the performance of such Owner's obligations hereunder, including payment of assessments, which is not cured within thirty (30) days after default; provided that any such requirement of notice shall not impair or affect any rights or remedies of the Association, including exercise of the same, provided for in this Declaration.

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

4.9 SUBORDINATION OF THE LIEN TO MORTGAGES. The lien securing the assessments provided for herein shall be subordinate to the lien of any prior recorded mortgage. The sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot which is subject to any mortgage, pursuant to a decree of foreclosure under such 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, according to the terms herein provided.

4.10 MANAGEMENT AGREEMENTS. Each Owner of a Lot hereby agrees to be bound by the terms and conditions of all management agreements entered into by the Association. 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. Such termination shall be authorized by a majority vote of outstanding votes (determined pursuant to Section 3.2 hereof) held by Members at a meeting at which a quorum is present. In no event shall such management agreement be canceled prior to execution by the Association or its Board of Directors of a new management agreement or the approval of self management by the Association. 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 Members of the Association may terminate the professional management of the Property and assume self management by the Association upon written agreement executed by Members entitled to cast a majority of the votes of the Association at a meeting at which a quorum is present. In such event, notice of such action shall be given all Lienholders prior to the effective date of termination.

4.11 INSURANCE REQUIREMENTS. The Association through the Board of Directors, or its duly authorized agent, shall have the authority to obtain insurance policies covering the Areas of Common Responsibility and covering all damage or injury caused by the negligence of the Association, any of its employees, officers, directors and/or agents.

ARTICLE V

ARCHITECTURAL REVIEW

No building, fence, wall or other 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") 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. These plans and specifications shall include at least the following: a site plan showing the entire Lot with all improvements, and floor plans and elevations of all faces of the structure; and a description of all exterior construction materials. Copies of the above described plans and specifications shall be retained by Declarant. The Committee shall review the plans and specifications and notify the Owner in writing of its approval or disapproval. If said 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 approved by the Committee. A complete building, fence or other structure shall be deemed to have been constructed in compliance with the plans and specifications unless within sixty (60) days after completion of construction the Committee places on record an instrument setting forth its disapproval. Any disapproval shall set forth the elements disapproved and the reason or reasons therefor, but need not contain suggestions as to methods of curing any matters or things disapproved. 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. No construction, alteration, change or modification shall commence until the approval of the Committee is obtained. The Committee may approve any deviation from these covenants and restrictions as the Committee, in its sole and absolute discretion, deems consistent with the purpose hereof. Approval by the Committee of the plans and specifications or its determination that the completed building, fence or other structure has been constructed in accordance with the plans and specifications shall be deemed to be an acknowledgment by the Committee that such are in accordance with these covenants and restrictions and such acknowledgment shall be binding against the Owners of the Lots and the Property. Until Declarant no longer owns a Lot, as vacancies in the Committee occur by resignation or otherwise, successor members shall be appointed by Declarant. Thereafter, the members of the Committee shall be selected and appointed by the Board of Directors of the Association. In the event that such Directors fail to designate members of the Committee within thirty (30) days after any vacancies appear thereon, then the remaining members of the Committee shall be entitled to appoint a successor to fill any vacancies. Members of the Committee may at any time and without cause, be removed by Declarant, or following the date referred to above, by the Board of Directors of the Association.

ARTICLE VI

USE RESTRICTIONS

6.1 RESIDENTIAL USES AND LIMITATIONS. Except for Areas of Common Responsibility, the Property is hereby restricted to single family dwellings for residential use only. All Homes erected upon said Property shall be of new construction. There shall not exist on any Lot any any time more that one residence. No building erected on a Lot shall exceed two stories in height. No trailer, tent, shack, barn, temporary building, out building or guest house visible from the adjacent property or from public thoroughfares shall be erected on any of the Lots without the written approval from the Committee. No trade or business of any kind shall be conducted upon a Lot or any part thereof. Construction of new building only shall be permitted, it being the intent of this covenant to prohibit the moving of any existing building onto a Lot and remodeling or converting same into a dwelling house.

6.2 BUILDING AREA. Each Home shall contain no less than 2,400 square feet of air conditioned area, exclusive of all porches, garages or breezeways attached to the main dwelling.

6.3 BUILDING MATERIALS.

(a) All exterior bearing walls adjacent to heated and cooled must be eighty percent (80%) or higher of masonry construction unless otherwise approved by the Committee. All chimneys shall be 100% masonry veneer except on the portion facing the rear of the house. Chimneys on the rear of the house may be of wood siding.

(b) All roofing materials shall consist of wood shingle, cedar shake, slate concrete tile, asphalt random butt design with wood shingle textured look, minimum weight 240 pounds per 100 square feet of surface, or other materials approved by the Committee. Unless otherwise approved by the Committee, shall be subject to the prior approval of the Committee and the roof pitch shall be 8/12.

6.4 LANDSCAPING AND FENCES.

(a) Any landscaping on a Lot shall be completed within sixty (60) days after the Home is finish graded.

(b) All fences shall be of masonry or wood or wrought iron or combinations thereof. There shall be no wire or chain link fences. No fence on any Lot shall extend toward the front property line, past the front building line. All fences shall be maintained in an attractive manner. No fence on any Lot shall exceed eight feet in height.

6.5 UTILITIES. All utilities, including without limitation telephone wiring shall be placed below grade, except that transformers or any other equipment which it is impracticable to place below grade may be placed above grade.

6.6 AIR CONDITIONING APPARATUS. No air conditioning apparatus shall be installed on the ground in the front of a Home unless approved by the Committee. No air conditioning apparatus or evaporation cooler shall be installed on any front wall of a Home.

6.7 GARAGES. All garages shall be not less than two car size and shall be fully enclosed and contain full-length doors at the entrance way thereto. No garage shall be used by anyone other than the Owner of a Lot on which the garage is situated or his family or bonafide guest and all garage doors shall be closed at all times except as may be necessary for entry and exits of vehicles and persons. No garage shall be constructed except as an integral part of the residence it is intended to serve. All garages shall be rear entry type where access is available from an alley. When access is from the street, all garages must be side or rear entry (unless approved by the Architectural Review Committee.

6.8 WATER AND SEWER. No individual water supply system or sewage disposal system shall be permitted on any Lot and all Homes must attach to such facilities as are provided by the water and sanitation district serving the area. The pumping of water from lakes, streams, ponds or water well is prohibited except by special permit, in writing, granted by the Committee.

6.9 MINERAL EXPLORATION, DEVELOPMENT. No operations for mining or exploration for or removal of any water, oil or other hydrocarbons, minerals or any kind, gravel earth or any earth substance of any kind shall be conducted on any Lot.

6.10 SIGNS. No signs whatsoever (movable or affixed) including, but not limited to, commercial, political and similar signs, which are visible from adjacent property or from public thoroughfares shall be erected or maintained on any Lot except:

- (a) Such signs as may be required by law.
- (b) A residential identification sign not more than eighteen (18) by twenty-four (24) inches in height and width.
- (c) During the time of construction of any buildings or other improvements, one job identification sign not larger than eighteen (18) by twenty-four (24) inches in height and width.
- (d) A "for sale" or "for rent" sign, of a reasonable type, size and appearance, which is similar to other signs customarily used in the Coppell area to advertise individual parcels of residential real property.

The provisions of this Section shall not prevent Declarant from commencing, erecting or maintaining structures or signs of any content or size on Lots owned by it when Declarant, in its sole discretion, deems it necessary or convenient to the development, sale, operation, or other disposition of the Lots or other portions of the Property.

6.11 Address Boxes; Mailboxes. All houses shall contain address boxes constructed of masonry and concrete. The mailboxes shall either (i) be one type brick or stone, or (ii) match the brick in the house they represent.

6.12 ANIMALS. No animals, livestock, or poultry of any kind shall be raised, bred or kept on any Lot, except that dogs, cats or other household pets may be kept thereon provided that they are not kept, bred or maintained for any commercial purpose. No structure for the care, housing, or confinement of any animal or bird shall be maintained so as to be visible from adjacent property or from public thoroughfares.

6.13 CLOTHESLINES. Outside clotheslines or other outside facilities for drying or airing clothes shall not be erected, placed or maintained except concealed within a fenced service yard or otherwise concealed and not visible from the adjacent property or public thoroughfares.

6.14 MACHINERY AND EQUIPMENT. No machinery or equipment of any kind shall be placed, operated or maintained upon or adjacent to any Lot except such machinery or equipment as is usual and customary in the Coppel area in connection with the use and maintenance or construction of a private residence or appurtenant structures; provided, however, such machinery or equipment may be so placed, operated or maintained by any governmental or quasi-governmental agency or a public utility; provided further however, such machinery and equipment for a home workshop may be placed, operated and maintained inside a private residence, including an enclosed garage.

6.15 ANTENNAS AND SIGNALS. No exterior antenna or other device for the transmission or reception of any form of electromagnetic radiation shall be erected, used or maintained on any Lot unless approved by the Committee in writing. No radio signals, television signals or any other form of electromagnetic radiation shall originate from any Lot which may unreasonably interfere with the reception of television or radio signals on any other Lot. No satellite dish antenna shall be erected unless approved by the Committee.

6.16 EASEMENTS. Easements for installation and maintenance of utilities and drainage facilities serving the Lots are reserved as shown on the recorded plat referred to herein. Within these easements, no structure, planting or other materials shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may materially, change the direction of flow, obstruct, or retard the flow of water in and through, drainage channels in easements. The easement area of each Lot and all improvements in it shall be maintained continuously by the owner of the Lot, except for those improvements for which one or more public authorities or utilities are responsible.

6.17 TEMPORARY STRUCTURES, VEHICLES. No permanent tent or similar structure or inoperable motor vehicle of any type shall be kept, placed, maintained, constructed, reconstructed or repaired upon any property or street or private driveway in such a manner as will be visible from the adjacent property or public thoroughfares; provided, however, that the provisions of this Section shall not apply to emergency vehicle repairs or temporary construction shelters or facilities maintained during and used exclusively in connection with the construction of any improvement approved in accordance herewith. In addition, no motor vehicle of any type, whether operable or inoperable, may be constructed, reconstructed or repaired upon any property or street or private driveway in such a manner as will be visible from neighboring property or public thoroughfares. No trailer, tent, camper, garage or other temporary structure of any kind shall be used at any time for a residence, either temporary or permanent. Temporary buildings or structures used during the construction, repair or remodeling of a Home shall be moved immediately after the completion of construction. No trailer, boat, camper, recreation or commercial vehicle shall be permanently parked or stored in such a manner so as to be directly visible from public thoroughfares. Permanently parked is deemed to designate the customary location of these vehicles when not in use.

6.18 NUISANCES. The Lot, the Home and other improvements located on each Lot not be used so as to disturb the neighborhood or occupants of the adjacent property, nor to constitute a nuisance, nor to violate any public law, ordinance or regulation from time to time applicable thereto. No such Lot, Home and/or other improvements shall be used for any purpose which will create or emit any objectionable, offensive or noxious odors, dust, gas, fumes, liquids, noises or other such materials or conditions. Except during the period of construction of a Home, or during time required for the improvement or maintenance of a Home, no Owner shall permit any rubbish or debris of any kind to be placed or to accumulate upon any Lot. No Owner shall permit any thing or condition to exist upon any Lot which shall induce, breed, or harbor plants, diseases or insects or other pests. No lighting or

illumination of any type shall be placed upon a Lot in such a manner as to cause unreasonable glare or illumination on any other Lot or on public thoroughfares.

6.19 GENERAL MAINTENANCE. Each Owner shall maintain and care for his Home, all improvements and all trees, foliage, plants, and lawns on his Lot and otherwise keep his Lot and all improvements thereon in conformity with the general character and quality of properties in the immediate area. Upon failure of any Owner so to maintain any such Lot owned by him, the Declarant or the Committee, or either of them, may, at its option, undertake the restoration of such Lot to good condition and the Owner thereof shall be obligated, when presented with an itemized statement, to reimburse said Declarant and/or Committee for the cost of such work. 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.

ARTICLE VII

GENERAL PROVISIONS

7.1 ENFORCEMENT. 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 or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

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

7.3 TERM. The covenants and restrictions of this Declaration 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 thirty (30) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years.

7.4 AMENDMENT. 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; provided, however, that any amendment or change with respect to the following areas shall require the consent of the Lienholders or Mortgagees: any material provisions establishing, providing for, governing or regulating: voting, assessments, assessment liens or subordination of such liens; insurance or fidelity bonds; expansion or contraction of the Properties, or the annexation, addition, or withdrawal of property to or from the scheme of this Declaration, other than as authorized herein by the Declarant; boundaries of any Lot; leasing of Homes or Lots; imposition of any right of first refusal or similar restriction on the right of an Owner to sell, transfer or convey his or her Lot; and any provision for the express benefit of Lienholders or Mortgagees; provided, however, that a Lienholder or Mortgagee shall be deemed to have given its consent to any such amendment if it fails to express its disapproval in writing within thirty (30) days after being notified of the proposed amendment; provided further however, that so long as Declarant has voting control of the Association, it shall have the sole right to make any amendments. Any and all amendments, if any, shall be recorded in the office of the County Clerk of Dallas County, Texas. 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.

7.5 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.

7.6 INJUNCTIVE RELIEF. Every Owner acknowledges and agrees that a violation of the covenants, conditions and restrictions contained in Article VI hereof could cause irreparable injury to Declarant and/or the other Owners and that the Declarant's and/or the other Owners' remedies at law for any breach of the Owners' obligations contained herein would be inadequate, and agrees and consents that temporary and permanent injunctive relief may be granted in any proceeding which may be brought to enforce the obligations without the necessity of proof of actual damage; provided, however, that nothing contained herein shall prejudice the right of Declarant and/or the other Owners to recover damages on account of any such violation.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereto set its hand and seal this the 31st day of December, 1991.

EVERFINE/GATEWAY PARTNERSHIP

By: GATEWAY USA DEVELOPMENT, INC.
its Manager

By: Ronald L. Frazee
Ronald L. Frazee, President

ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on the 31st day of December, 1991, by Ronald L. Frazee, President of Gateway USA Development, Inc., Manager of Everfine/Gateway Partnership.

My commission expires:



Lori A. Bolton
Notary Public, State of Texas
Notary's Printed Name:

LORI A. BOLTON