

DECLARATION OF COVENANTS AND RESTRICTIONS

THIS DECLARATION, made on the date herein set forth by PARK HOUSE ONE, N.V., a private corporation, acting by and through Mario Costantini, its true and lawful Attorney-in-fact duly authorized and empowered by a resolution duly passed and adopted by its Board of Directors, hereinafter referred to as Declarant.

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in the City of Temple, Bell County, Texas, which is more particularly described as:

A 2.600 acre tract of land out of the McKinney and Williams Survey and being situated in Bell County, Texas, said tract being more particularly described in field notes marked Exhibit A, attached hereto and made a part hereof as if copied herein verbatim and being the property as described in that certain plat of The Oaks, a Planned Unit Development, an addition to the City of Temple, Bell County, Texas;

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

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to THE OAKS HOMEOWNERS ASSOCIATION, its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any of lots 1 through 18 of The Oaks, a Planned Unit Development, an addition to the City of Temple, Bell County, Texas, which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Properties" shall mean and refer to the real property hereinbefore described.

Section 4. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the owners. The common area to be owned by the Association at the time of the conveyance of the first lot is described as being all that portion of land situated within and being a part of the "Properties" other than Lots 1 through 18, The Oaks, a Planned Unit Development, an addition to the City of Temple, Bell County, Texas.

Section 5. "Lot" shall mean and refer to Lots 1 through 18, as shown upon the recorded subdivision map of The Oaks, a Planned Unit Development, an addition to the City of Temple, Bell County, Texas.

Section 6. "Declarant" shall mean and refer to PARK HOUSE ONE, N.V., a private corporation, its successors and assigns, if such successors or assigns are designated in writing by PARK HOUSE ONE, N.V., as a successor or assign of the rights of PARK HOUSE ONE, N.V. set forth herein.

ARTICLE II

PROPERTY RIGHTS

Section 1. Owner's Easements of Enjoyment. Every owner shall have a right and easement of enjoyment in and to the Common Area which 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 charge reasonable admission and other fees for the use of, maintenance and upkeep of the Common Area;
- (b) The right of the Association to suspend the voting rights and right to use of the Common Area by an owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations;
- (c) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of each class of members agreeing to such dedication or transfer has been recorded.

Section 2. Delegation of Use. Any owner may delegate, in accordance with the By-laws, his right of enjoyment to the Common Area to the members of his family, his tenants, or contract purchasers who reside on the property.

Section 3. Parking. Ownership of each Lot shall entitle the owner or owners thereof to the use of not more than two automobile parking spaces, which shall be incorporated in said unit as a two-car garage. No on-street parking shall be used by any resident of any unit located on a Lot, and all on-street parking shall be reserved for guests and invitees of Lot owners.

Section 4. Easements Common to All Lots.

(a) Each Lot shall be subject to a perpetual easement in favor of each adjoining Lot, which shall permit an overhang of the adjoining Lot's roof line above the verticle Lot line, at a height of seven feet, which overhang shall not exceed one foot over the verticle Lot line.

(b) Each Lot shall be subject to a permanent easement for access to make reasonable repairs upon adjoining lots and structures thereon, and for construction of buildings and other structures on other Lots, provided, however, that (1) any damage caused by such entry shall be repaired at the expense of the Owner whose property was the object of the construction or repair work which caused the same, (2) any such entry shall be made only at reasonable times and with as little inconvenience as possible to the Owner of the entered Lot, and (3) in no event shall said easement be deemed to permit entry into the interior portions of any residence.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

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

Section 2. The Association shall have two classes of voting membership.

Class A. Class A members shall be all the owners of a lot with the exception of the Declarant, and shall be entitled

to one vote for each Lot owned, When more than one 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 vote be cast with respect to any Lot.

Class B. Class B members shall be the Declarant and shall be entitled to three votes for each lot owned. The Class B membership shall cease and be converted to Class A memberships when the total votes outstanding in Class A membership equals or exceeds the total votes outstanding in the Class B membership.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) Annual assessments or charges, and (2) Special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorneys' 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 assessment shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments: The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents in the Properties and for the improvement and maintenance of the Common Area, and of the homes situated upon the Properties.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be \$50.00 per Lot.

(a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment for all classes may be increased each year not more than 15% above the maximum assessment for the previous year without a vote of the membership.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment for all classes may be increased above 15% by vote of one-half (½) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

(c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum

Section 4. Special Assessments for Capital Improvements: In addition to the annual assessments 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, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice and Quorum for any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirements, and the

required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis.

Section 7. Date of Commencement of Annual Assessments. Due Dates. The annual assessments provided for herein shall commence as to each Lot on the first day of the month following sale of the Lot to an Owner, provided, however, that no assessments shall be due until the first day of the month following conveyance of the Common Area to the Association. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every owner subject thereto. The due date shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a Certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid.

Section 8. Effect of Nonpayment of Assessments. Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of eight percent (8%) per annum. The Association may bring an action at law against the owner personally obligated to pay the same or foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu

thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments there- after becoming due or from the lien thereof.

ARTICLE V

EXTERIOR MAINTENANCE

In addition to maintenance of the Common Area, the Association, in the event the Owner of any Lot shall fail to maintain the premises and improvements situated thereon in a manner satisfactory to the Board of Directors, after approval by two-thirds (2/3) vote of the Board of Directors, shall have the right, through its agents and employees, to enter upon said parcel and to repair, maintain and restore the Lot and the exterior of the buildings and any other improvements erected thereon. The costs of such exterior maintenance shall be added to and become part of the assessment to which such Lot is subject.

ARTICLE VI

ARCHITECTURAL CONTROL

No Owner shall erect any building, fence, wall or other structure upon any Lot nor make any exterior addition to or change or alteration therein, until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

ARTICLE VII

COVENANTS AND RESTRICTIONS

(a) Land use: No Lot shall be used for anything other than single family residential purposes. No non-residential activity shall be conducted on the Properties except in the Common Area.

(b) Signs: No sign of any kind shall be displayed or erected, or maintained on any Lot or the Common Area except one (1) sign of not more than five (5) square feet advertising a lot for sale or rent, or signs used by Declarant.

(c) Animals: No animals, livestock, or poultry of any kind shall be bred, raised, or kept on any Lot or Common Area, except dogs, cats, or other household pets may be kept provided that they are not kept, bred or maintained for any commercial purpose.

(d) No Lot or any part thereof shall be used for illegal or immoral purposes.

(e) Other buildings: No house trailer, truck body, tent, shack, garage, barn or other outbuilding shall at any time be used as a residence, nor shall any residence of any temporary character be permitted.

(f) Old buildings: No structure shall be moved onto any Lot.

(g) Antennae: No television or radio antennae shall be erected or maintained at the front of any dwelling nor shall they be placed upon the roof of any dwelling so as to stand or be supported by that portion of the roof which slopes toward the front lot line. No radio, aerial wires, nor guy wires for antennae shall be maintained on any portion of a lot forward of the front building line of said lot.

(h) Yards: All yards of a dwelling shall be maintained so as to be an aesthetical asset to the dwelling.

(i) Maintenance of Lots: No Owner of any Lot shall be permitted to let such Lot go unmaintained, and no weeds or grass shall be permitted upon any Lot in excess of twelve (12) inches in height.

(j) Easements: The use of easements as shown on the plat is granted to the City of Temple, Bell County, Texas (or any political subdivision having actual jurisdiction over the Properties) and to the various utility companies franchised by any such political subdivision for the purposes of drainage; the location of sanitary and storm sewer lines; the location of gas, water, electrical and telephone lines and conduits, and the maintenance thereof.

(k) Mining: No quarrying or mining operations or mineral extractions of any kind shall be permitted upon or in any Lot, nor

shall any type of wells, tanks, tunnels, mineral excavations, or shafts be permitted upon or in any lot. No derrick or other structure designed for drilling shall be erected, maintained, or permitted upon any lot.

(l) Garbage Cans: All garbage will be placed in disposable cans or refuse containers and shall not be placed or permitted to remain at the front of the dwelling either within the street or upon the lot or a Common Area except on those days scheduled for garbage and refuse collection.

(m) No truck, boat or trailers may be kept upon a lot unless it is concealed from public view nor can they be kept upon the Common Area or any street within the Properties.

ARTICLE VIII

GENERAL PROVISIONS

Section 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. Failure by the Association or by an Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one 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.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended or revoked, in whole or in part, during the first five (5) year period by an instrument signed by Declarant alone, and after 5 years by members of the Association entitled to cast not less than two-thirds of the votes of the Association. Any amendment must be recorded.

Section 4. Replatting. Declarant has the right to modify in whole or part the existing plat on the property.

CORRECTION FIELD NOTES for Bill Childers for a tract of land in Bell County, Texas, out of and a part of the McKinney & Williams Survey, Abstract No. 609, and the land herein described being a part of that certain 63.5 acre tract described in a Deed from Lucille Scott Childers, et vir, to W. C. Childers said Deed being of records in Volume 815, Page 445, Deed Records of Bell County, Texas.

BEGINNING at a point in the south margin of FM Highway #2305 that bears N. 71° 12' 14"W., 173.86 feet from the northwest corner of Western Hills Addition, Temple, Texas, said point being an iron pipe at the northwest corner of a certain 0.241 acre tract heretofore conveyed for the northeast corner of this.

THENCE N. 71° 39' 49"W., 408.50 feet with the south margin of the said FM Highway # 2305 to an iron pipe therein at the northeast corner of a certain 10.658 acre tract heretofore conveyed for the northwest corner of this.

THENCE S. 18° 38' 31"W., 351.42 feet with the east line of the said 10.658 acre tract to a point in the center of a branch at the southeast corner thereof for the southwest corner of this.

THENCE with the center of the said branch with its meanders, the principal chords of which are as follows to-wit S. 74° 57' 47"E., 75.65 feet; S. 60° 20' 04"E., 124.69 feet; S. 12° 41' 23"E., 41.36 feet; N. 44° 16' 10"E., 76.54 feet, N. 19° 41' 03"E., 99.29 feet; N. 46° 10' 48"E., 107.61 feet; N. 75° 44' 15"E., 86.76 feet; and S. 34° 10' 38"E., 39.25 feet to a point at the southwest corner of the said 0.241 acre for the southeast corner of this.

THENCE N. 18° 47' 46"E., 120.90 feet to the place of BEGINNING, containing 2.600 acres of land.

STATE OF TEXAS |
COUNTY OF BELL |

KNOW ALL MEN BY THESE PRESENTS, that I, Carrell Williams, Registered Public Surveyor, do hereby certify that I did cause to be surveyed on the ground the above described tract of land and to the best of my knowledge and belief the said description is true and correct.

IN WITNESS THEREOF, my hand and seal, this the 20th day of August, A. D. 1979.



Carrell Williams
Registered Public Surveyor

EXHIBIT A

FILED FOR RECORD THIS 6 DAY OF NOVEMBER 1981, AT 830 A M.
MRS. RUBY McKEE, COUNTY CLERK, OF BELL COUNTY BY _____ DEPUTY