

COTERIE TOWNHOUSE ASSOCIATION

Bylaws

Declaration of Covenants, Conditions, and Restrictions

The neighborhood and surrounding area was developed by Estada Corp. beginning in 1975 in three phases - I, II, and III. Our neighborhood is Phase III which was the last one developed and consists of 37 lots all on Twin Oaks Circle.

The original Declaration for all three phases was filed December 16, 1976. An updated Declaration for Phase III was filed December 15, 1977, and a subsequent Amendment was filed August 3, 2002.

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

THE COTERIE II SUBDIVISION, PHASE III

DALLAS COUNTY, TEXAS

THIS DECLARATION, made this 15TH day of December, 1977, by ESTADO CORPORATION, a Texas corporation ("Declarant");

W I T N E S S E T H:

A. Declarant is the owner of the real property referred to in Article II of this Declaration and desires to create thereon a residential townhouse community with residential lots, open spaces, and common facilities for the benefit of the community.

B. Declarant further desires to provide for the preservation of the values and amenities in said community and for the maintenance of said open spaces and common facilities; and, for such purposes, Declarant desires to subject the real property referred to in Article II, together with such additions as may hereafter be made thereto (as provided in Article II), to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of the said property and each owner thereof.

C. Declarant will cause The Coterie Townhouse Association to be incorporated as a non-profit corporation under the laws of the State of Texas, to which corporation will be delegated and assigned the powers of maintaining and administering the community properties and facilities, administering and enforcing the covenants, conditions and restrictions, and collecting and disbursing the assessments and charges, as hereinafter provided.

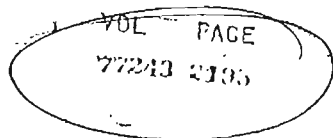
NOW, THEREFORE, Declarant declares that the real property referred to in Article II, and such additions thereto as may hereafter be made pursuant to Article II hereof, are and shall be held, transferred, sold, conveyed and occupied subject to the covenants, conditions, restrictions, easements, charges and liens (sometimes referred to as "Covenants, Conditions and Restrictions") hereinafter set forth.

ARTICLE I

DEFINITIONS

The following words when used in this Declaration or any Supplemental Declaration (unless the context shall prohibit) shall have the following meanings:

(a) "Association" shall mean and refer to The Coterie Townhouse Association.



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(b) "Properties" shall mean and refer to all such existing properties, and additions thereto, as are subject to this Declaration or any Supplemental Declaration prepared and filed of record pursuant to the provisions of Article II hereof.

(c) "Common Areas" shall mean and refer to those areas of land designated as Common Areas or Common Green Areas on any recorded subdivision plat of the Properties and intended to be devoted to the common use and enjoyment of the Members of the Association, together with any and all improvements that are now or may hereafter be constructed thereon.

(d) "Lot" shall mean and refer to any plot or tract of land shown upon any recorded subdivision map of the Properties which is designated as a lot therein and which is or is to be improved with a residential dwelling.

(e) "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot but, notwithstanding any applicable theory of mortgage or other security device, shall not mean or refer to any mortgagee or trustee under a Mortgage or Trust Deed unless and until such mortgagee or trustee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

(f) "Member" shall mean and refer to each Owner as provided herein in Article III.

(g) "Declarant" shall mean and refer to Estado Corporation, its successors and any assignee, other than an Owner, who shall receive by assignment from the said Estado Corporation all, or a portion, of its rights hereunder as such Declarant, by an instrument expressly assigning such rights as Declarant to such assignee.

(h) "Existing Property" shall mean and refer to the real property which is, and shall be, held, transferred, sold, conveyed and occupied subject to this Declaration pursuant to Section 1 of Article II.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION: ADDITIONS THERETO

Section 1. Existing Property. The real property which is, and shall be, held, transferred, sold, conveyed and occupied subject to this Declaration (hereinafter defined as the "Existing Property") is located in Dallas County, State of Texas, and is more particularly described on Exhibit "A", attached hereto and made a part hereof for all purposes, which Existing Property is shown on a Subdivision Plat (the "Plat" hereafter), which Plat is recorded in Volume 77143, Page 1897 of the Map Records of Dallas County, Texas. Notwithstanding anything contained in the Plat to the contrary, the areas designated thereon as Common Areas or Common Green Areas have not been dedicated by Declarant for use by the general public, but have been dedicated for the common use and enjoyment of certain homeowners in certain parts of the Coterie II Subdivision as more fully provided herein and in that certain Declaration of Covenants and Restrictions recorded in Volume 76243, Page 2190 of the Deed of Records of Dallas County, Texas and any supplements thereto.

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Section 2. Additions to Existing Property. If Declarant is the owner of any property which it desires to add to the concept of this Declaration, it may do so by filing of record a Supplementary Declaration of Covenants, Conditions and Restrictions, which shall extend the concept of the covenants, conditions and restrictions of this Declaration to such property, PROVIDED, HOWEVER, that (i) such additional property shall be contiguous (as hereafter defined) to the Properties subject to this Declaration at the time, and (ii) such Supplementary Declaration may contain such complementary additions and modifications of the covenants, conditions and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added properties and as are not inconsistent with the concept of this Declaration. In no event, however, shall such Supplementary Declaration modify or add to the covenants established by this Declaration for the Existing Property. Any additions made pursuant to this Section 2, when made, shall automatically extend the jurisdiction, functions, duties and membership of the Association to the properties added. For the purposes hereof, the term "contiguous" shall mean adjoining; provided, that any tracts or parcels of land which are separated by a street, road, sidewalk, right-of-way, easement or other thoroughfare shall be deemed to be contiguous.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Membership. Every Owner of a Lot shall automatically be a Member of the Association.

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

CLASS A. Class A Members shall be all Members with the exception of Declarant. Class A Members shall be entitled to one vote for each Lot in which they hold the interest required for membership. When more than one person holds such interest or interests in any Lot, all such persons shall be Members, and 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 such Lot.

CLASS B. The Class B Member(s) shall be the Declarant. The Class B Member(s), at all times when the total number of Lots owned by the Class B Member(s) is greater than one-third (1/3) of the total number of Lots owned by Class A Members, shall be entitled to three (3) votes for each Lot in which it holds the interest required for membership. When the total number of Lots owned by the Class A Members equals or exceeds three (3) times the total number of Lots owned by the Class B Member(s), the Class B Member(s) shall, during the time such equality or excess continues, be entitled to only one vote for every Lot owned by it. Notwithstanding any other provision of this Article, from and after January 1, 1981, the Class B Member(s) shall be entitled to only one vote for every such Lot.

Section 3. Quorum and Notice Requirements.

(a) Subject to the provisions of paragraph (c) of this Section, any action authorized by Section 3(f) of Article IV shall require the assent of the Members entitled to cast

two-thirds (2/3) of the votes of the Members of the Association who are voting in person or by proxy at a meeting duly called for that purpose, written notice of which shall be given to all Members at least ten (10) days in advance (unless otherwise provided in the By-Laws of the Association) and shall set forth the purpose of such meeting.

(b) The quorum required for any action referred to in Section 3(f) of Article IV or Section 5 of Article V shall be as follows: At the first meeting called, as hereinafter provided, the presence at the meeting of Members, or of proxies, entitled to cast sixty percent (60%) of all of the votes of each class of membership shall constitute a quorum. If the required quorum is not present at the meeting, an additional meeting may be called, subject to the notice requirement hereinafter set forth, and the required quorum at such second meeting shall be one-half (1/2) of the required quorum at the preceding meeting; provided, however, that no such second meeting shall be held more than sixty (60) days following the first meeting.

(c) Any provision of this Declaration to the contrary notwithstanding, any action described in Section 3(f) of Article IV may be taken with the assent given in writing and signed by the Members entitled to cast two-thirds (2/3rds) of the votes of the Association.

(d) Except as hereinabove specifically set forth in Article II, Section 3, paragraphs (a), (b) and (c), notice, voting and quorum requirements for all action to be taken by the Association shall be as set forth in its Articles of Incorporation and By-laws, as same may be amended from time to time.

ARTICLE IV

PROPERTY RIGHTS IN THE COMMON AREAS

Section 1. Easements of Enjoyment. Subject to the provisions of Section 3 of this Article, the following persons shall have a right and easement of enjoyment in and to the Common Areas and such easement shall be appurtenant to and shall pass with the title to every Lot:

(i) Each Member and each individual in his family residing with him on his Lot.

(ii) Each tenant and contract purchaser of each Member (and each individual in the respective families of each such tenant and contract purchaser residing with each of them) who resides on the Lot owned by such Member; provided, that such tenant or contract purchaser, as the case may be, shall have a right and easement of enjoyment in and to the Common Areas in lieu of such Member and his family.

Section 2. Title to the Common Areas. The Declarant may retain the legal title to the Common Areas until such time as it has completed such improvements thereon as it may elect to make and until such time as, in the opinion of the Declarant, the Association is able to maintain the same but, notwithstanding any provision herein, the Declarant hereby covenants, for itself, its successors and assigns, that it shall convey the Common Areas to the Association not later than January 1, 1981.

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Section 3. Extent of Members' Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

(a) The right of the Association to prescribe regulations governing the use, operation and maintenance of the Common Areas (including limiting the number of guests of members);

(b) The right of the Declarant, and of the Association in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the Common Areas and facilities and in aid thereof to mortgage the Common Areas, and the rights of such mortgagee in the Common Areas shall be subordinate to the rights of the homeowners hereunder;

(c) The right of the Association to take such steps as are reasonably necessary to protect the Common Areas against foreclosure;

(d) The right of the Association, as provided in its Articles and By-Laws, to suspend the voting rights of any Member and to suspend the right of any individual to use any of the Common Areas and/or common facilities for any period during which any assessment against a Lot resided upon by such individual remains unpaid, and for any period not to exceed thirty (30) days for an infraction of its rules and regulations;

(e) The right of the Association to charge reasonable admission and other fees for the use of recreational facilities of the Common Areas; and

(f) Subject to approval by the affirmative vote of the Association's Members, as provided in Section 3 of Article III, the right of the Association to dedicate or transfer all or any part of the Common Areas to any public agency, authority, or utility for such purposes and upon such conditions as may be agreed to by the Members.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation for Assessments. Each Owner of a Lot (by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance), for each Lot owned by any such Owner, hereby covenants and agrees and shall be deemed to covenant and agree to pay to the Association (or to a mortgage company or other collection agency designated by the Association): (1) annual assessments or charges, to be paid on June 1 of each year (hereinafter called "Annual Payment Dates") or in such other installments as the Board of Directors of the Association may elect; and (2) special assessments for capital improvements, such assessments to be fixed, established and collected from time to time as hereinafter provided. The annual and special assessments, together with such interest thereon and costs of collection thereof as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon each Lot against which each such assessment is made. Each such assessment, together with such interest thereon and costs of collection thereof as hereinafter provided, shall also be the continuing personal obligation of the person who was the Owner of such Lot at the time when the assessment became due.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the care, preservation, supervision, improvement and maintenance of the Common Areas and of the improvements situated thereon, including, but not limited to, (i) the payment of taxes on and insurance in connection with the Common Areas and the repair, replacement and making of additions thereto; (ii) paying the cost of labor, equipment (including the expense of leasing any equipment) and materials required for, and management and supervision of, the Common Areas; (iii) carrying out the duties of the Board of Directors of the Association as set forth in Article VI hereafter; and (iv) carrying out the purposes of the Association as stated in its Articles of Incorporation.

Section 3. Improvement and Maintenance of the Common Areas Prior to Conveyance to the Association. Until such time as the Declarant has conveyed all of the Common Areas to the Association (and thereafter as additional Common Areas are added hereunder and not conveyed to the Association), the Declarant shall have, at its election, the sole responsibility and duty of improving and maintaining the Common Areas (or such portion thereof that has not been conveyed to the Association), including but not limited to, the payment of taxes on and insurance in connection with the Common Areas (or the portion thereof that has not been conveyed to the Association) and the costs of repairs, replacements and additions thereto, and for paying the cost of labor, equipment (including the expense of leasing any equipment) and materials required for, and management and supervision of, the Common Areas. In this regard, and during such period, all assessments, both annual and special, collected by the Association shall be forthwith paid by the Association to Declarant, to the extent that such assessments are required by Declarant to improve and maintain the Common Areas as set forth in this paragraph. The Association shall rely upon a certificate executed and delivered by the Declarant with respect to the amount required by Declarant to improve and maintain the Common Areas hereunder. Any sums required by Declarant to improve and maintain the Common Areas, in excess of the assessments collected by the Association, shall be borne and paid exclusively by Declarant.

Section 4. Basis and Amount of Annual Assessments.

The Board of Directors, at its initial meeting shall set the amount of the assessment for each Lot for the period prior to its first annual meeting. Commencing with the first annual meeting of the Board and at each annual meeting thereafter, the Board of Director's shall set the amount of the annual assessment for the following year for each Lot, taking into consideration the current maintenance costs and the future needs of the Association.

Section 5. Special Assessments for Capital Improvements. In addition to the annual assessments authorized by Section 4 hereof, 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 or reconstruction, unexpected repair or replacement of a described capital improvement upon the

Common Areas, including the necessary fixtures and personal property related thereto; PROVIDED THAT any such assessment shall have the assent of the Members entitled to cast a majority of the votes of the Members of the Association who are voting in person or by proxy at a meeting duly called for this purpose, as provided in Section 3 of Article III.

Section 6. Uniform Rate of Assessment. Subject to the provisions of Section 11 of this Article V, both annual and special assessments must be fixed at a uniform rate for all Lots.

Section 7. Date of Commencement of Assessments: Due Dates.

(a) The initial annual assessment provided for in Section 4 of this Article V shall commence on the date fixed by the Board of Directors of the Association to be the date of commencement, and shall be payable annually, in advance, on each Annual Payment Date thereafter; provided, however, that if the date of commencement falls on other than the first day of a month, the assessment for such month shall be prorated by the number of days remaining in the month.

(b) The due date or dates, if it is to be paid in installments, of any special assessment under Section 5 hereof shall be fixed in the resolution authorizing such assessment.

Section 8. Duties of the Board of Directors with Respect to Assessments.

(a) The Board of Directors of the Association shall fix the date of commencement and the amount of the assessment against each Lot for each assessment period at least thirty (30) days in advance of such date or period and shall, at that time, prepare a roster of the Lots and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner.

(b) Written notice of the assessment shall thereupon be delivered or mailed to every Owner subject thereto.

(c) The Board of Directors shall upon demand at any time furnish to any Owner liable for said assessment a certificate in writing signed by an officer of the Association, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid. A reasonable charge may be made by the Board for the issuance of such certificates.

Section 9. Effect of Non-Payment of Assessment: The Personal Obligation of the Owner; the Lien; Remedies of the Association.

(a) If any assessment or any part thereof is not paid on the date(s) when due (being the dates specified in Section 7 of this Article), then the unpaid amount of such assessment shall become delinquent and shall, together with such interest thereon and cost of collection thereof as hereinafter provided, thereupon become a continuing lien on the Lot of the non-paying Owner which shall bind such Lot in the hands of the then Owner, his heirs, executors, devisees, personal repre-

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representatives and assigns. The personal obligation of the then Owner to pay such assessment, however, shall remain his personal obligation and shall not pass to his successors in title unless expressly assumed by them. The lien for unpaid assessments shall be unaffected by any sale or assignment of a Lot and shall continue in full force and effect. No Owner may waive or otherwise escape liability for the assessments provided herein by non-use of the Common Areas or abandonment of his Lot.

(b) If any assessment or part thereof is not paid within thirty (30) days after the delinquency date, the unpaid amount of such assessment shall bear interest from the date of delinquency at the maximum legal rate of interest, and the Association may, at its election, bring an action at law against the Owner personally obligated to pay the same ~~in order to enforce payment and/or to foreclose the lien against the property subject thereto~~, and there shall be added to the amount of such assessment the costs of preparing and filing the complaint (including reasonable attorneys' fees) in such action and, in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and a reasonable attorneys' fee to be fixed by the court, together with the costs of the action.

(c) In the event the Association should fail or be unable for any reason to collect the assessments provided for herein, then the City of Dallas shall be authorized to levy, assess and collect such assessments along with the taxes levied, assessed and collected by the City of Dallas on such properties.

Section 10. Subordination of the Lien to Mortgages.
The lien of the assessments provided for herein shall be subordinate and inferior to the lien of any mortgage or deed of trust now or hereafter placed upon the Lots subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to the sale, whether public or private, of such property pursuant to the terms and conditions of any such deed of trust. Such sale shall not relieve such Lots from liability for the amount of any assessments thereafter becoming due nor from the lien of any such subsequent assessment.

Section 11. Exempt Property. The following property subject to this Declaration shall be exempted from the assessments, charges and liens created herein:

- (a) All properties dedicated and accepted by the local public authority and devoted to public use.
- (b) All Common Areas as defined in Article I hereof.
- (c) All areas reserved by the Declarant on the recorded plat of the Properties.
- (d) All Lots owned by Declarant.

ARTICLE VI

GENERAL POWERS AND DUTIES OF BOARD OF DIRECTORS
OF THE ASSOCIATION

Section 1. Powers and Duties. The Board, for the benefit of the Properties and the Owner, shall provide, and shall pay for out of the maintenance fund provided for in Article V, Section 1, above, the following:

- (a) Taxes and assessments, and other liens and encumbrances, which shall properly be assessed or charged against the Common Areas, rather than against the individual Owners.
- (b) Care and preservation of the Common Areas and full maintenance of a utility service for the Common Areas, including the furnishing and upkeep of any desired personal property for use in the Common Areas.
- (c) The services of a person or firm to manage the Association or any separate portion thereof, to the extent deemed advisable by the Board, and the services of such other personnel as the Board shall determine to be necessary or proper for the operation of the Association, whether such personnel are employed directly by the Board or by the manager.
- (d) Legal and accounting services.
- (e) A policy or policies of insurance insuring the Association against any liability to the public or to the Owners (and/or invitees or tenants), incident to the operation of the Association, in an amount not less than \$100,000 to indemnify against the claim of one person, \$300,000 against the claims of two or more persons in any one occurrence, and property damage insurance in an amount not less than \$100,000 per occurrence; which policy or policies shall contain an endorsement providing that the rights of the named insureds shall not be prejudiced with respect to actions against other named insureds.
- (f) Workmen's compensation insurance to the extent necessary to comply with any applicable laws.
- (g) Such fidelity bonds as the Board may determine to be advisable.
- (h) Any other material, supplies, insurance, furniture, labor, services, maintenance, repairs, structural alterations, taxes or assessments (including taxes or assessments assessed against an individual Owner) which the Board is required to obtain or pay for pursuant to the terms of this Declaration or by law or which in its opinion shall be necessary or proper for the operation or protection of the Association or for the enforcement of this Declaration.

The Board shall have the following additional rights, powers and duties:

- (i) To execute all declarations of ownership for tax assessment purposes with regard to the Common Areas on behalf of all Owners.

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(j) To borrow funds to pay costs of operation, secured by assignment or pledge of rights against delinquent Owners, if the Board sees fit.

(k) To enter into contracts, maintain one or more bank accounts (granting authority as the Board shall desire to one or more persons to sign checks) and, generally, to have all the powers necessary or incidental to the operation and management of the Association.

(l) To protect or defend the Common Areas from loss or damage by suit or otherwise, and to provide adequate reserves for replacements.

(m) To make reasonable rules and regulations for the operation of the Common Areas and to amend them from time to time, provided that any rule or regulation may be amended or repealed by an instrument in writing signed by a majority of the Members (without limiting the generality of the foregoing language, the rules and regulations may provide for limitations on use of the swimming pools or other common recreational areas during certain periods by youthful persons, visitors or otherwise).

(n) To make available to each Owner within sixty days after the end of each year an annual report and, upon the written request of one-tenth of the Members, to have such report audited by an independent certified public accountant, which audited report shall be made available to each Member within thirty days after completion.

(o) To adjust the amount, collect, and use any insurance proceeds to repair damage or replace lost property; and if proceeds are insufficient to repair damage or replace lost property, to assess the Members in proportionate amounts to cover the deficiency.

(p) To enforce the provisions of this Declaration and any rules made hereunder and to enjoin and seek damages from any Owner for violation of such provisions or rules.

Section 2. Board Powers, Exclusive. The Board shall have the exclusive right to contract for all goods, services, and insurance, payment for which is to be made by the Association, and the exclusive right and obligation to perform the functions of the Board, except as otherwise provided herein.

Section 3. Owner's Obligations to Repair. Each Owner shall, at his sole cost and expense, maintain and repair his Lot and the improvements situated thereon, keeping the same in good condition and repair. In the event that any Owner shall fail to maintain and repair his Lot and the improvements thereon as required hereunder, the Association, in addition to all other remedies available to it hereunder or by law, and without waiving any of said alternative remedies, shall have the right, through its agents and employees, to enter upon said Lot and to repair, maintain and restore the Lot and the exterior of the buildings and any other improvements erected thereon; and each Owner (by acceptance of a deed for his Lot) hereby covenants and agrees to repay to the Associa-

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tion the cost thereof immediately upon demand, and the failure of any such Owner to pay the same shall carry with it the same consequences as the failure to pay any assessment hereunder when due.

ARTICLE VII

USE OF PROPERTIES AND COMMON AREAS

The Properties (and the improvements situated thereon) and the Common Areas shall be occupied and used as follows:

(a) Each Lot shall be used exclusively for residential purposes, and streets and parking spaces shall be used exclusively for the parking of passenger automobiles.

(b) There shall be no obstruction of the Common Areas, nor shall anything be kept or stored in the Common Areas, nor shall anything be altered, or constructed or planted in, or removed from the Common Areas, without the written consent of the Board.

(c) No Owner shall permit anything to be done or kept on his Lot or in the Common Areas which will result in the cancellation of any insurance carried by the Association, or which would be in violation of any law. No waste shall be committed in the Common Areas.

(d) No animals, livestock or poultry shall be raised, bred or kept in any portion of the Properties, except that dogs, cats or other household pets may be kept, but not for any commercial purposes, provided that they do not create a nuisance.

(e) Nothing shall (i) be done in any part of the Properties, nor shall (ii) any noxious or offensive activity be carried on, nor shall (iii) any outside lighting or loudspeakers or other sound producing devices be used, which, in the judgment of the Board, may be or become an unreasonable annoyance or nuisance to the other Owners.

(f) Each Owner shall be liable to the Association for any damage to the Common Areas caused by the negligence or willful misconduct of the Owner or his family, guests, or invitees.

(g) All Owners and occupants shall abide by any rules and regulations adopted by the Board. The Board shall have the power to enforce compliance with said rules and regulations by all appropriate legal and equitable remedies, and an Owner determined by judicial action to have violated said rules and regulations shall be liable to the Association for all damages and costs, including attorneys' fees.

(h) All residences and other structures constructed or erected upon any Lot shall be new construction, and in no event shall any prefabricated or existing structures be moved onto any Lot.

(i) No communication receiving or transmitting device or equipment shall be used on any Lot which

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interferes with the television reception on any other Lot without the prior written consent of the Board of Directors of the Association, which consent may be withheld or, once given, revoked for any reason.

(j) No vegetable garden shall be placed on any Lot except behind the front of the residence situated on such Lot.

ARTICLE VIII

EASEMENTS

Section 1. Easements Reserved by Declarant. Easements for the installation, maintenance, repair and removal of utilities and sewer and drainage facilities, and floodway easements, are reserved by Declarant over, under and across the Properties, together with an underground utility easement ten (10) feet in width parallel to and adjoining the street right-of-way. Full ingress and egress shall be had by Declarant at all times over the Properties for the installation, operation, maintenance, repair or removal of any utility together with the right to remove any obstruction that may be placed in such easement that would constitute interference with the use of such easement, or with the use, maintenance, operation or installation of such utility. The grade of the land in any such easement shall not be changed or altered by any Owner of any Lot, after the said grade has been established. All utility easements as dedicated on the Plat shall be left free from all permanent structures and the removal of any obstructions by the utility company shall in no way obligate the utility company for damages or to restore the obstruction to its original form. All obstructions, whether temporary or permanent, shall be subject to the paramount right of the utility company to install, repair, maintain or replace its utility and/or sewer installation. Declarant shall have the right to assign and transfer the easements and rights herein reserved to or for the benefit of any public utility.

Section 2. Easement Reserved for the Association. Full rights of ingress and egress shall be had by the Association at all times over and upon each Lot for the carrying out by the Association of its rights, functions, duties and obligations hereunder; provided, that any such entry by the Association upon any Lot shall be made with as minimum inconvenience to the Owner as possible, and any damage caused thereby shall be repaired by the Association at its expense.

Section 3. Overhang Easements. Declarant hereby reserves for itself and each Owner an easement and right of overhang to overhang each Lot in the Properties with the roof of any home to be constructed on the Properties by Declarant as any such roof is originally constructed by Declarant, but not otherwise.

ARTICLE IX

PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the homes upon the Properties and placed on the dividing line

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between the Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and of liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligence or willful acts or omissions.

Section 4. Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligence or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successor in title.

ARTICLE X

GENERAL PROVISIONS

Section 1. Duration. The Covenants, Conditions and Restrictions of this Declaration shall run with and bind the land subject to this Declaration, and shall inure to the benefit of and be enforceable by the Association and/or the owner of any land subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a term of thirty (30) years from the date that this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years unless an instrument signed by the Members entitled to cast a majority of the votes of the Association has been recorded, agreeing to abolish said Covenants, Conditions and Restrictions or to change said Covenants, Conditions and Restrictions in whole or in part; provided, however, that no such agreements to change shall be effective unless made and recorded three (3) years in advance of the effective date of such change; provided further, that no such agreements to change shall be applicable to existing buildings on the Properties.

Section 2. Termination or Amendment by Declarant. Until such time as the first Lot is sold by Declarant, Declarant, at its discretion may abolish or amend said Covenants, Conditions and Restrictions or change them in whole or in part.

Section 3. Consent of Members. Except as provided in Section 1 and Section 2 of this Article, the Covenants,

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Conditions and Restrictions of this Declaration may be abolished, amended and/or changed in whole or in part, only with the consent of the Members of each class of membership entitled to cast fifty-one percent (51%) of the votes of each such class of the Association, evidenced by a document in writing bearing each of their signatures; provided, that (i) no amendment whatsoever shall be made without the written consent of Declarant prior to January 1, 1981, notwithstanding that Declarant has no interest in the Properties at the time; and (ii) Declarant shall have the right to amend this Declaration at any time and from time to time, without the consent of any Member, to the extent that such amendments are required by the Federal Housing Administration, the Veterans Administration, the Federal National Mortgage Association, or any other governmental authority involved in financing the improvement, purchase or sale of any of the Lots or the improvements to be constructed thereon. All amendments, if any, shall be recorded in the office of the County Clerk of Dallas County, Texas.

Section 4. Enforcement. Enforcement of these covenants and restrictions shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate them, or to recover damages, or to enforce any lien created by these covenants; and failure by the Association 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.

Section 5. 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 6. 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.

Section 7: Notices. 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 when deposited in the United States mails, postage prepaid, 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.

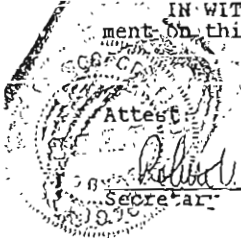
Section 8. Disputes. Matters of dispute or disagreement between Owners with respect to interpretation or application of the provisions of this Declaration or the Bylaws, shall be determined by the Board of Directors, which determination shall be final and binding upon all Owners.

Section 9. Supplemental Declaration. This Declaration of Covenants, Conditions and Restrictions is supplemental to that certain Declaration of Covenants and Restrictions dated December 16, 1976, and recorded in Volume 76243, Page 2190 of the Deed Records of Dallas County, Texas.

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IN WITNESS WHEREOF, Declarant has executed this instrument on this the 15th day of December, 1977.



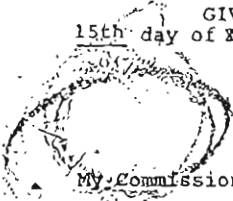
ESTADO CORPORATION

By W. H. Barrett
Vice President

THE STATE OF TEXAS |
COUNTY OF DALLAS |

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared W. H. Barrett, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said ESTADO CORPORATION, a corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 15th day of ~~November~~ December, 1977.



Debbi Gent
Notary Public in and for
Dallas County, Texas
Debbi Gent

My Commission Expires:

July 20, 1978

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EXHIBIT "A"

Being all that certain property located in Dallas, Dallas County, Texas, and consisting of Lots 1 through 14, inclusive, in Block C/7435, of the City of Dallas, Dallas County, Texas, together with the Floodway Management Area adjacent thereto, Lots 1 through 23, inclusive, in Block D/7435 of the City of Dallas, Dallas County, Texas, Twinoaks Circle, areas marked common Green Area No. 1, Common Green Area No. 2 and the portion of Hughes Lane to the center line thereof adjoining the above described property, all as shown on a subdivision plat thereof recorded in Volume 77143, Page 1897 of the Map Records of Dallas, County, Texas.

37 LOTS

Approved as to form:

LEE E. HOLT, City Attorney

By *Robert P. Buckner*
Assistant City Attorney

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