

# ROYAL HIGHLANDS VILLAGE NEIGHBORHOOD ASSOCIATION

2017

## RESTRICTIVE COVENANTS

STATE OF TEXAS

COUNTY OF DALLAS

WHEREAS, the undersigned are owners of at least three fourths (3/4) of the Lots in certain real property located in Dallas County, Texas being more particularly described as follows:

- i. Lots 7-37 and C.G.A. #2, Block A/8105, Lots 1-13 and C.G.A. #1, Block B/8105, Lots 1-8 and C.G.A. #1, Block C/8105 and Lots 1-24 and C.G.A.'s #1, #2 and #3, Block D/8105 of Royal Highlands Village No. 1, a subdivision of the City of Dallas, Dallas County, Texas, shown on the subdivision map recorded in Volume 72162, Pages 2166-2173 of the Plat Records of Dallas County, Texas, also known herein as "Phase I", and,
- ii. C.G.A. #1, Block A/8105, Lots 25-29 and C.G.A.'s #4 and #5, Block D/8105 of Royal Highlands Village No. 2, a Subdivision of the City of Dallas, Dallas County, Texas, as shown on the revised subdivision map recorded in Volume 76125, Pages 2452 of the Plat Records of Dallas County, Texas, also known herein as "Phase II"; Phase I and Phase II hereinafter collectively referred to as the "Land"; and

WHEREAS, the Land is subject to certain restrictive covenants dated August 18, 1972, (hereinafter called the "Restrictive Covenants") pertaining to the Land which are recorded in Volume 72167, page 761 of the Deed Records of Dallas County, Texas; and

WHEREAS, the Restrictive Covenants were amended by an instrument dated September 22, 1972, which is recorded in Volume 72187, Page 115 of the Deed Records of Dallas County, Texas; and

WHEREAS, the Restrictive Covenants were further amended by an instrument dated July 12, 1973, which is recorded in Volume 73141, Page 0562 of the Deed Records of Dallas County, Texas; and

WHEREAS, the Restrictive Covenants were further amended by an instrument dated August 3, 1973, which is recorded in Volume 73152, Page 1777 of the Deed Records of Dallas County, Texas; and

WHEREAS, the Restrictive Covenants were further amended by an instrument dated March 28, 1974, which is recorded in Volume 74064, Page 1512 of the Deed Records of Dallas County, Texas; and

WHEREAS, the Restrictive Covenants were further amended by an instrument recorded July 7, 1976 in the Deed Records of Dallas County, Texas; and

WHEREAS, the Restrictive Covenants were further amended by an instrument dated December 17, 1998, which is recorded in Volume 98245, Page 00516, of the Deed Records of Dallas County, Texas; and

WHEREAS, the Restrictive Covenants were further amended by an instrument dated March 30, 2015, which is recorded as Instrument number 201500077287, of the Deed Records of Dallas County, Texas; and

WHEREAS, the Restrictive Covenants were further amended by an instrument dated January 17, 2017, which is recorded in Volume \_\_\_\_\_, Page \_\_\_\_\_ in the Official Public Records of Dallas County, Texas; and

WHEREAS, the Restrictive Covenants provide in Article XX that the owners of sixty-seven percent, (67%) of the total Lots, which equals fifty-four (54) Lots may, at the end of twenty-five (25) years from the date of the instrument, August 18, 1972, by a written instrument signed by such persons, vacate or modify all or any part of these Restrictive Covenants; and

WHEREAS, undersigned, being the owners of at least sixty-seven percent (67%) of the fifty-four (54) Lots desire to modify and replace the Restrictive Covenants of the Royal Highlands Village Neighborhood Association as set forth below:

**RESTRICTIVE COVENANTS**

**2017**

- ARTICLE 1: Definitions
- ARTICLE II: Membership in the Association
- ARTICLE III: Ownership, Use and Management of Common Areas and Other Areas
- ARTICLE IV: Maintenance of Assessments
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**RESTRICTIVE COVENANTS  
THE STATE OF TEXAS  
COUNTY OF DALLAS  
2017**

IT IS AGREED that the Covenants and restrictions hereinafter set forth are to run with the Property for the purpose of financing and protecting the value and desirability of the Property and shall benefit and be binding upon the owners of any of the Lots or other lands comprising the Property, and their heirs, personal representatives, successors and assigns. Said restrictions and Covenants are as follows:

**ARTICLE I  
Definitions**

WHEREAS the following words, when used in this statement of Restrictions and Covenants (unless the context shall so prohibit) shall have the following meanings:

Section 1.1. "Association" shall mean THE ROYAL HIGHLANDS VILLAGE NEIGHBORHOOD ASSOCIATION, INC., a non-profit corporation to be organized under the laws of the State of Texas, its successors and assigns.

Section 1.1.1. The Association's principal address is at P.O. Box 550832, Dallas, Texas 75355-0832.

Section 1.1.2. "Common Areas" shall mean C.G.A. 12, Block A/8105, C.G.A., 121" Blk B/8105, C.G.A 11, Block C/8105 and C.G.A.'s 11, #2 13, Block D/8105 as shown on the Plat.

Section 1.1.3. "Public Street" shall mean any street, lane, drive, boulevard, court, circle, road, place, manor or terrace which has been dedicated to public use, as shown on the Plat, but shall not include private streets, driveways, alleys and cul-de-sacs forming part of the Common Areas.

Section 1.1.4. "Member" shall mean any person and/or entity who owns a fee interest in a Lot.

Section 1.1.5. "Membership" is defined in Article II.

Section 1.1.6. "Person" shall mean an individual, corporation, partnership, association, trust or other legal entity or any combination thereof.

Section 1.1.7. "Owner" shall mean the record owner, whether one or more Persons, of fee simple title to any Lot, but excluding those having only a security interest in such Lot until such time as such person {whether by foreclosure or otherwise} becomes the record Owner thereof.

**ARTICLE II  
Membership in the Association**

Section 2.1. Each Person who is the record owner of any Lot shall have one vote ("Membership") in the Association for each Lot he owns, regardless of the number of persons who hold an interest in said Lot. (In other words, if two or more persons are the record owners of one Lot, then such persons shall in any case own only one Membership in the Association.) The foregoing is not intended to include persons who hold a vendor's lien, deed of trust, lien or other security interest in a Lot, until such persons become the record Owner of such Lot. The Membership shall be pertinent to

and may not be separated from record ownership of any Lot, and the transfer of any Membership not made as part of a sale of a Lot shall be null and void. Ownership of a Lot shall be the sole qualification for being a member of the Association.

### **ARTICLE III**

#### **Ownership, Use and Management of Common Areas and Other Areas**

Section 3.1. The members of the Association shall have the right to use the Common Areas, subject to the restrictions of the following sections of this Article.

Section 3.2. Each member shall have the nonexclusive right and easement of enjoyment and use of the Common Areas; and such easement shall be appurtenant to and shall pass with the title to every Lot. Such right and easement shall be subject to the following provisions:

Section 3.2.1. The right of the Association to make such reasonable rules and regulations regarding the use of the Common Areas and facilities located thereon by the members and other persons entitled to such use, including but not limited to restrictions on the number of guests who may use the Common Areas and the parts of the Common Areas such guests may use.

Section 3.2.2. The right of the Association, in accordance with its Articles of Incorporation and Bylaws, to borrow money for the purpose of improving the Common Areas and facilities and constructing new facilities thereon and in connection therewith to mortgage the Common Areas or portions thereof.

Section 3.2.3. The right of the Association to dedicate or transfer all or part of the Common Areas to any public agency or authority on such terms and subject to such conditions as the Board of Directors of the Association may determine in accordance with the Bylaws of the Association. The Board of Directors of the Association shall give written notice to all members of a contemplated dedication or transfer. If more than two (2) members shall within thirty (30) days of such notice, file a written objection to such dedication or transfer with any member of the Board of Directors of the Association, the Board of Directors of the Association shall duly call a special meeting of the Association for the purpose of approving such dedication or transfer and shall deliver written notice to all members not less than thirty (30) days nor more than fifty (50) days before the date of the meeting setting forth the purpose of the meeting. At such meeting, if 67% of all the Membership shall assent, the dedication or transfer shall be considered approved. Otherwise, such dedication or transfer shall not take place. Any such dedication or transfer is also subject to the approval of the City Planning Commission of the City of Dallas (except for condemnations or a transfer in lieu of condemnation).

Section 3.2.4. The right of the Association in accordance with its Articles of Incorporation and its Covenants to contract for services with third parties on such terms as the Board of Directors or members may determine is in the best interests of the Association; provided any such contract entered into (prior to the conveyance of the Common Areas to the Association) shall provide that it may be terminated upon thirty (30) days' notice to the other party by the Board of Directors.

Section 3.3. Any member may delegate, subject to and in connection with such reasonable rules and regulations as the Association may promulgate from time to time, his right to use and enjoyment of the Common Areas and facilities thereon to the members of his immediate family (that is, spouse, children, grandchildren and

parents), his tenants or contract purchasers who reside on the Property and the number of guests permitted by such rules.

Section 3.4. The Association is the owner of the Common Areas and shall control, maintain, manage and improve the Common Areas as provided in these Restrictive Covenants and in its Articles of Incorporation and Bylaws. Such right of control and management shall be exclusive except as provided herein. The Association shall also maintain any center median in any Public Street adjacent to the Lots or the Common Areas (except for Audelia Road and Royal Lane), which has grass, shrubs, or trees thereon. The Association shall also maintain the front of all Lots, which term shall mean the areas in each Lot bounded by the property line of such Lot adjacent to a public street, the side property lines of each Lot and the front of each single family residence (which is defined as the garage entrance and entrance gate), including the brick extension wall of each lot, and the gate of each lot. The Association may, at its sole discretion, allow an Owner or resident to plant a tree or plant on the grounds outside of the enclosed courtyards of individual homes, but only after following proper consent procedures. Such plants or trees purchased by an Owner or resident will be considered the property of the Association and will be maintained by the Association in accord with the Association's grounds policies. The Association will paint the exterior painted surfaces of all Common Area facilities and individual homes at a frequency required for proper maintenance. The Association will not maintain front or back courtyards of individual homes, shared fences between properties, shared walls, exterior wood work, gutters, roofs, driveways, garage doors or anything on the façade of the property. The Association's obligation includes the maintenance of any common sprinkler system. No Owner may erect any improvements (assuch term is hereinafter defined) on the front of any Lot.

#### **ARTICLE IV Maintenance of Assessments**

Section 4.1. The Owner of each Lot, by acceptance of a deed therefore, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant and agree to pay the Association: (1) Annual Assessments and (2) Special Assessments, as hereinafter described, such assessments to be fixed, established and collected from time to time as hereinafter provided. The Annual and Special Assessments, together with any interest thereon and costs of collection thereof as hereinafter provided, allocable to each Lot, shall be a charge on such Lot and shall be a continuing lien against the Lot against which each such assessment is made until paid in full, but such lien shall be inferior to any prior recorded, valid, first lien deed of trust and/or vendor's lien. Each such assessment, together with such interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment or charge fell due. Such personal obligation shall not pass to his successors in title unless expressly assumed by them; but, nevertheless, the lien above mentioned arising by reason of such assessment should continue to be a charge and lien upon the Lot as above provided. Such lien shall be extinguished; however, by a sale or foreclosure pursuant to a valid first-lien deed of trust or vendor's lien. Each owner agrees upon request of the Association to execute and deliver to the Association in recordable form a Deed of Trust covering the Lot owned by him, subject only to prior recorded, valid first-lien deed of trust and/or vendor's lien, to secure such assessment lien. In any event, such lien for non-payment of assessments or charges may be enforced by the Association, such sale to be conducted in accordance with the provisions of law applicable to the exercising of powers of sale or foreclosure in deeds of trust or in any manner permitted by law. In any such foreclosure or sale, the Owner shall be required to pay the costs

and expenses of such sale and other proceedings, including reasonable attorneys' fees.

Section 4.2. All assessments levied and collected by the Association shall be used exclusively for the purposes of insuring, improving and maintaining the Common Areas and facilities thereon and of satisfying the other required obligations provided herein. Without limiting the generality of the foregoing, the Association shall perform or cause to be performed the following duties:

Section 4.2.1. Effecting repairs, replacements and additions to the Common Areas and facilities thereon.

Section 4.2.2. Paying ad valorem and other property taxes and assessments levied thereon unless such taxes are levied directly against the Lots.

Section 4.2.3. Contracting for such employees and other management necessary or appropriate to the operation and maintenance of the Common Areas and other areas maintained by the Association and supervision thereof.

Section 4.2.4. Obtaining utility services for the Common Areas.

Section 4.2.5. Obtaining general public liability insurance with coverage of not less than \$300,000/\$500,000 and sufficient property damage and fire and extended coverage insurance such that the proceeds would be sufficient to replace any permanent facilities constructed on the Common Areas.

Section 4.3. Commencing January 1, 1999, the Annual Assessment may be increased each year, effective January 1 of such year without a vote of the Membership in the same proportion as the increase, if any, of the Consumer Price Index -- Urban Wage Earners and Clerical Works U.S. City Average: All items (published by the Department of Labor, Washington, D. C.) for the preceding month of October over that of the October previous. (The Annual Assessment as so increased is hereinafter called the "Maximum Annual Assessment".) The Annual Assessment may not exceed the figure for the previous calendar year unless approved by a 67% of the total Memberships at a meeting of the Association, written notice of which has been delivered to all members not less than thirty (30) nor more than fifty (50) days before the date of the meeting, setting forth the purpose of the meeting.

Section 4.3.1. Within thirty (30) days prior to the beginning of each calendar year and after consideration of current maintenance and replacement costs and a reasonable reserve for contingencies of the Association, the Board of Directors shall estimate and fix the Annual Assessment at an amount not in excess of the maximum Annual Assessment as determined in Section 4.3 above. The Association shall then notify each Owner of the amount of the Annual Assessment and each Owner shall be obligated to pay in equal monthly installments on or before the first day of each calendar month beginning January 1 of each calendar year. In the event the amount of the Annual Assessment proves to be inadequate at any time during the course of a calendar year, the Board of Directors of the Association may increase the amount of the Annual Assessment up to the Maximum Annual Assessment for such year. In such event, the Association shall notify each Owner of the amount of the new Annual Assessment and each owner shall be obligated to pay a proportionate part of the new Annual Assessment on the first day of each calendar month for the remainder of the calendar year. Notwithstanding the foregoing, the Board of Directors shall not set the Annual Assessment at a figure in excess of five percent (5%) above the Annual Assessment of the year previous unless approved by a majority of the total

Memberships at a meeting of the Association, written notice of which has been delivered not less than thirty (30) days nor more than fifty (50) days before the date of the meeting, setting forth the purposes of the meeting.

Section 4.3.2. If at any time the Board of Directors of the Association feels that the Maximum Annual Assessment is inadequate to fulfill the functions of the Association, it shall duly call a meeting of the Association for the purpose of increasing the maximum Annual Assessment and deliver written notice to all members not less than thirty (30) days nor more than fifty (50) days before the date of the meeting, setting forth the purposes of the meeting. At such meeting, the maximum Annual assessment may be increased by vote of majority of the total Memberships. Such increase shall continue until a majority of all Memberships at a meeting called for that purpose. Written notice of which shall be delivered to all members not less than thirty (30) nor more than fifty (50) days before the date of the meeting, shall decide otherwise, or until the Maximum Annual Assessment figure set by the Consumer Price Index formula described above shall be higher, in which case the latter shall be the Maximum Annual Assessment figure.

Section 4.3.3. If at any time the Board of Directors of the Association determines that the costs of fulfilling the functions of the Association are less than anticipated, the Annual Assessment may be reduced by the Board of Directors or a majority vote of all the Memberships at a special meeting of the Association called for such purpose, notice of which has been given to all members not less than thirty (30) nor more than fifty (50) days before the date of such meeting, setting forth the purpose of such meeting; provided in no event may the Annual Assessment be reduced to an amount less than is reasonably necessary to maintain all facilities and defray all expenses incurred in accordance herewith.

Section 4.3.4. The failure of the Association to fix the Annual Assessments as provided herein for any year shall not be deemed a waiver or a release of any Owner from the obligation to pay the Annual Assessment, but the Annual Assessment fixed for the preceding year shall continue until a new assessment is fixed.

Section 4.4. In addition to the Annual Assessments, the Association may levy in any year Special Assessments, for the following purposes:

Section 4.4.1. Defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a capital improvement upon the Common Areas, including the necessary fixtures and personal property related thereto.

Section 4.4.2. Exercising the option created by Article XII, Section 12.1 of this statement.

Section 4.4.3. Defraying the amount of any deficit created by an excess of expenditures of the Association over receipts for the previous year; provided that the maximum amount of any Special Assessment for this purpose may not exceed fifteen percent (15%) of the Annual Assessment for the current year.

Section 4.4.4. Paying for actual cost of repairs pursuant to Section 6.3 of Article VI. Written notice of each Special Assessment shall be delivered to every Owner. The date for payment of such Special Assessment shall be established by the Association and shall be specified in such notice. Any such assessment shall have the assent of at least two-thirds (2/3) of the Memberships pursuant to votes cast at a meeting, duly called for this purpose, written notice of which shall be delivered to all members not



less than thirty (30) nor more than fifty (50) days in advance of the meeting, setting forth the purpose of the meeting, except if the purpose of such assessment is that set forth in this Section

Section 4.5. The Annual Assessments provided for herein shall commence as to each Lot on the first day of the calendar month following the date on which a Lot is conveyed to an Owner. The Association shall upon request of an Owner at any time furnish a certificate in writing signed by an officer of the Association setting forth whether or not the assessment on the Lot owned by such owner has been paid. A reasonable charge (not exceeding five hundred dollars (\$500.00) may be made by the Association for the issuance of these certificates. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 4.6. Any assessment, which is not paid within thirty (30) days after due shall be delinquent. A ten percent (10%) per annum shall be accrued on the entire balance beginning at one hundred and eighty (180) days until or unless the member has entered into a payment plan with the Association. The Association shall be entitled to bring an action at law against the owner personally obligated to pay same, and/or to foreclose the lien against the Lot; and interest, costs and reasonable attorneys' fees for such action shall be added to the amount of such assessment and be part of the lien against the Lot. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Areas, abandonment of his Lot, or otherwise.

Section 4.7. All assessments by the Association shall be pro rata and the assessment made against any Lot shall in no case be higher or lower than the assessment against any other Lot, except for any Special Assessments allowed pursuant to Section 4.4. of Article IV of this statement which are properly attributable, in the judgment of the Association, to less than all of the Lots.

Section 4.8. No diminution or abatement of assessments shall be allowed or claimed for inconveniences or discomfort arising from the making of repairs or improvements to the Common Areas or from any action taken to comply with any law, ordinance or order of a governmental authority.

Section 4.9. All Lots dedicated to, and accepted by, a local public authority and all Lots owned by a charitable or non-profit organization exempt from taxation by the laws of the State of Texas shall be exempt from the assessments created herein. However, no Lot used as a residence shall be exempt from said assessments.

## **ARTICLE V**

### **Collection and Alternate Payment Plan Policy**

Chapter 209 of the Texas Property Code was amended effective January 1, 2012, to add section 209.0062 thereto regarding alternate payment schedules for assessments, and subparagraph (d) of section 209.0062 provides that a property owners' association is required to file its policy regarding alternate payment schedules for assessments under section 209.0062 in the real property records of the county in which the subdivision is located; and

The Association's Board of Directors unanimously approved the policy set forth herein.

The Association hereby sets forth its Collection and Alternate Payment Plan Policy ("Policy") as follows:

Section 5.1. Fees and Costs. Without exception, the Association shall use the same formula when charging any Owner late fees, penalties, interest, legal fees, court costs and other charges for delinquent balances owed to the Association.

Late fees and interest will be charged on any Owner's delinquent balance in accordance with the provisions of the Bylaws of the Association and the Restrictive Covenants. Legal fees, court costs and other out-of-pocket collection, lien and foreclosure fees will be charged to the Owner at the Association's cost.

Section 5.2. Liens. A lien may be placed on the home of an Owner who has reached a delinquent balance that exceeds an amount equal to 3/4 of the annual assessment amount in the year of the delinquency or has had a delinquent balance of \$300 or more for 12 consecutive months or a delinquent balance of \$300 for 18 of the last 24 months. A lien shall only be released when the Owner pays all past due assessments and all late fees, penalties, interest, legal fees, court costs and other charges for delinquent balances owed to the Association.

Section 5.3. Foreclosure. Foreclosure may be initiated on Owners with delinquent balances that exceed the annual assessment amount in the year of the delinquency or those who have had a delinquent balance of \$300 or more for 12 consecutive months or 18 of the last 24 months.

Section 5.4. Alternate Payment Plans. Without exception, the Association shall offer all Owners the same alternate payment options and relief as provided for in these Supplemental Restrictive Covenants and shall not otherwise discount assessments, special assessments, fees for service, late fees, penalties, legal and other collection-related fees, other than to correct any entries incorrectly applied to an Owner's account.

Section 5.4.1. To assist an Owner in financial need, an Owner with a delinquent balance is entitled to elect to make partial payments for delinquent amounts under an Alternate Payment Plan in compliance with this Policy.

Section 5.4.2. Alternate Payment Plans are only available to Owners who have not had an active Alternate Payment Plan during the prior 24-month period.

Section 5.4.3. The term of an Alternate Payment Plan may be as short as three months or as long as 18 months based on the guidelines below. An Owner may request a payment plan of:

- i. Up to six months for past-due balances of less than the current annual assessment amount; or
- ii. Up to twelve months for past-due balances of less than twice the current annual assessment amount; or
- iii. Up to eighteen months for past-due balances of more than twice the current annual assessment amount.

Section 5.4.4. An Alternate Payment Plan must have a sequential monthly payment schedule of equal amounts.

Section 5.4.5. Late fees, penalties and legal collection related fees will not be charged to an Owner's account during the term of an Alternate Payment Plan, provided all payments are made as scheduled.

The Association may charge the Owner for any out-of-pocket fee for administering a payment plan. Such fee will be listed on the payment plan. Interest will continue to accrue during the term of a payment plan.

Section 5.4.6. The monthly rate of an Alternate Payment Plan will be calculated by adding the delinquent balance, the estimated interest, the administrative fee, plus any anticipated new charges expected during the term of an Alternate Payment Plan and dividing by the number of months in the plan.

Example 1 (assumes annual assessment amount is \$1,500, late fee is 20%, and interest is 10% per annum):

Delinquent balance	\$4,000.00
Administrative fee	50.00
Late fees	800.00
New charges (18 monthly payments)	2,250.00
Interest (10% per annum)	600.00
Duration (months)	18 months
Monthly Rate $(\$4,000+50+800+2,250+600)/18$	\$427.78

Example 2 (assumes annual assessment amount is \$1,500, late fee is 20%, and interest is 10% per annum):

Delinquent balance	\$875.00
Administrative fee	50.00
Late fees	175.00
New charges (6 monthly payments)	750.00
Interest (10% per annum)	43.75
Duration (months)	6 months
Monthly Rate $(\$875+50+175+750+43.75)/6$	\$315.63

Section 5.4.7. An Alternate Payment Plan must be in writing on a form provided by the Association and signed by the Owner.

Section 5.4.8. An Alternate Payment Plan becomes effective and is designed as "active" upon:

- i. Receipt of a fully completed and signed payment plan application; and
- ii. Receipt of the first payment under the plan; and
- iii. Acceptance by the Association that the application is compliant with this Policy.

Section 5.4.9. An Alternate Payment Plan remains "active" until the Owner defaults or pays off the remaining balance. If an Owner defaults on the terms of an Alternate Payment Plan, the plan will be voided. It is considered a default of payment plan if the Owner:

- i. Fails to return a signed application with the initial payment; or
- ii. Misses a payment due in any calendar month; or
- iii. Makes a payment for less than the agreed-upon amount; or
- iv. Fails to pay any new assessment by the due date.

In the absolute discretion of the Association, the Association may waive default under item (ii), (iii), or (iv) above if the Owner makes up a missed or short payment with the immediate next calendar month's payment.

Section 5.4.10. On a case-by-case basis, the Association may agree, but has no obligation, to reinstate a void Alternate Payment Plan one (1) time during the original term if all missed or short payments are made up and the Owner submits a written request for reinstatement.

Section 5.4.11. The Association may, but has no obligation to, provide a courtesy notice of short or missed payments.

Section 5.4.12. If an Alternate Payment Plan is voided, the full amount due by the Owner shall immediately become due and payable. The Association will resume the process for collecting amounts owed using all remedies available under the Restrictive Covenants and the law.

Section 5.4.13. All payments made under an Alternate Payment Plan will be recorded as credits to the Owner's account the same way payments are recorded to all other Owners' accounts. All charges (e.g., assessments, interest, fees) will be recorded to the Owner's account the same way charges are recorded to all other Owners' accounts.

To the extent that any discrepancy arises between an Alternate Payment Plan payment schedule and the Owner's account maintained by the Association's treasurer, the Owner's account maintained by the treasurer shall be deemed to be correct.

## **ARTICLE VI Restrictions on Lots**

Section 6.1. The Owner of any Lot shall not use or allow the use of such lot or any building or structure thereon for any purpose which will be noxious, offensive or detrimental to the use of the other Lots or which will create or emit any objectionable, offensive or noxious odors, dust, gases, fumes or other such material or which will in any manner violate any zoning or other regulations or laws of the City of Dallas, of the State of Texas, or of the United States.

Section 6.2. No Lot shall be used for other than single-family residential purposes. No Lot may be used as an apartment house, double house, flat, lodging house, hotel, or for any business purposes; provided that a portion of a residence may be used as living quarters for servants engaged on the premises.

Section 6.3. No drilling or puncturing of the surface for oil, gas or other minerals or hydrocarbons or water or any other fluid or substance shall be permitted.

Section 6.4. The keeping of any poultry, cattle, horses or other livestock of any kind or character is prohibited on any Lot. Feeding of wild animals, such as, rats, possums, and raccoons, is prohibited. The City of Dallas limits the number of dogs, cats, or any combination of dogs and cats on the premises of a dwelling unit that shares a common wall with another dwelling unit to four.

Section 6.5. The storage of trash, ashes, or other refuse except in normal receptacles is prohibited, nor may weeds, underbrush or other unsightly growths be permitted to grow or remain on a Lot. No trash, ashes or other refuse may be thrown in any vacant lot or Common Areas.

Section 6.6. No signs or billboards shall be permitted on any Association Maintained Area, except specific signs with designated size limitations set forth in the Rules and Regulations adopted by the Board of Directors.

Section 6.7. No campers, motor homes, travel trailers, commercial-type vehicles, or vehicles with out of date registrations shall be stored or parked on any Lot except while parked in a closed garage, nor parked on any street in the Property except while engaged in loading or unloading or transporting to or from a Lot in the Property, nor may any boats of any kind nor any type of vehicle, powered or un-powered, while it is being repaired, be stored or parked on any Lot except while parked in a closed garage.

Unattended garage doors and gates are to be closed. Parking is not allowed on any sidewalk.

Section 6.8. All clotheslines or drying yards, garbage cans, equipment, coolers, woodpiles or storage piles shall be so situated as not to be visible from the Common Areas or any other Lot or any Public Street. Driveways must be clean and free from unsightly stains.

Section 6.9. No elevated tanks or compost piles shall be visible from the Common Areas or the front of any Lot.

Section 6.10. No exposed or exterior television antenna or satellite dish shall be erected, placed or maintained in an area that can be seen from the front of any Lot except that the Association may erect a common-television antenna or satellite receiver.

Section 6.11. No radio transmitting device shall be allowed on any Lot and no exposed or exterior radio antenna shall be erected, placed or maintained.

Section 6.12. No Lot shall be subdivided.

Section 6.13. There shall be no obstruction to or construction on the Common Areas without the prior written approval of the Board of the Association.

Section 6.14. Nothing shall be done on any Lot or on the Common Areas, which will result in the increase of fire or casualty insurance premiums thereon or the cancellation of such insurance.

Section 6.15. The type, size and style of all trash containers is regulated by the City of Dallas. See the Rules and Regulations for other information.

## **ARTICLE VII**

### **General Obligations of Owner**

Section 7.1. Each Owner shall at his expense keep any buildings and other improvements on his Lot (except for items maintained by the Association) in good repair and condition. Each homeowner is responsible for minor exterior touchup painting; paint provided by Association.

Section 7.2. If any Owner believes any other Owner is in violation of these Restrictive Covenants, he shall notify the President of the Board of Directors of the Association explaining his reasons for such complaint. If the Board of Directors of the Association approves such complaint, it shall so notify such other Owner in writing, explaining the reason for such complaint. If the Owner fails to remedy the alleged violation within ten (10) days or such longer time as specified by the Board following delivery of such notice, then the Association shall have the right to (1) institute appropriate legal action or (2) submit the dispute to arbitration, such arbitration to be held in accordance with the rules of the American Arbitration Association by the action of a majority of arbitrators chosen as follows: (a) one arbitrator shall be chosen by the Owner; (b) one arbitrator shall be chosen by the Association; (c) one arbitrator shall be chosen by the two (2) arbitrators previously chosen. If either party fails to choose an arbitrator within fifteen (15) days after the transmission of the complaint to the Owner, the other party may choose the second arbitrator. The decision of the arbitrators either party fails to choose an arbitrator within fifteen (15) days after the transmission of the complaint to the Owner, the other party may choose the second arbitrator. The decision of the arbitrators shall be made within thirty (30) days after the transmission of the complaint to the Owner. If the arbitrators fail to act within ninety (90) days, the complaint will be

considered dismissed. The prevailing party in any such litigation or arbitration shall be entitled to recover from the other party all costs and expenses, including reasonable attorney's fees, in connection therewith.

Section 7.3. If the arbitrator(s) as provided in Section 6.2 above upholds the complaint, the Owner shall be so notified in writing and shall promptly remedy the violation of these Restrictive Covenants, and if he fails to remedy such violation within thirty (30) days after the date of such notice or in the time specified in any such proceeding, as appropriate, the Association may (but shall not be obligated to) make the appropriate repairs and add the cost of such repairs, as a Special Assessment, to the normal assessment of such Owner. The Association, and its designees, shall have the right of entry upon the Lot owned by such Owner for such purpose.

## **ARTICLE VIII**

### **Insurance Obligations of Owners**

Section 8.1. The Board of Directors shall obtain a policy of fire and extended coverage insurance covering the Club House and the Common Areas from an insurance company qualified to do business in the State of Texas.

Section 8.2. The policy of insurance shall be in an amount equal to at least ninety percent (90%) of the insurable value of the Clubhouse and the Common Areas. The cost of such insurance shall be met by the Association.

## **ARTICLE IX**

### **Construction of Improvements**

Section 9.1. Since the maintenance of architectural unity is essential for the preservation and enhancement of the value of the Lots, no improvements may be erected on any Lot without the approval of the Architectural Committee appointed by the Board. The term "improvements" shall include but shall not be limited to (1) the erection of any structure, including but not limited to, additions to or alterations of any buildings, detached buildings, storage buildings, tool sheds, kennels, or other buildings for the care of animals, and greenhouses; (2) the erection of any fence; (3) the moving of any structure from another locality to a Lot; (4) the grading, scraping, excavation or other rearranging of the surface of any Lot; (5) the construction of any driveway, alleyway, walkway, entryway, patio or other similar item; (6) the alteration or replacing of any exterior surface, including the repainting of any painted surfaces and the painting of formerly unpainted surfaces using any but materials of the type originally used and which are the same or similar in color, and design; and (7) the removal of any landscaping, trees, or bushes in areas that are maintained by the Association.

## **ARTICLE X**

### **Easements and Rights**

Section 10.1. If the Owner of any Lot must, in order to make reasonable repairs or improvements to a building on his Lot, enter or cross the Common Areas or a Lot of another owner, such owner shall have an easement to do so; provided that said Owner shall use the most direct, feasible route in entering and crossing over such an area and shall restore the surface so entered or crossed to its original condition at the expense of said Owner and further provided such easement shall not exist on the land of any other Lot Owner if the purpose for the entrance or crossing is one requiring, by virtue of Article VIII of this statement, approval of the Architectural Committee of the

Association, unless such approval is obtained, another person, said Owner shall have the right to do so; provided that said Owner shall (1) create as little alteration as possible consistent with good building and engineering practices, (2) promptly restore the building altered to its original condition at the expense of said Owner, and (3) provide such bonding as the Owner of the building to be altered shall reasonably require; and further provided such alteration shall not be allowed if the purpose for the alteration must occur is one requiring, by virtue of Article VIII of the statement, approval of the Architectural Committee of the Association, unless such approval is obtained.

Section 10.2. If any structure shall encroach on the Lot of an adjoining owner, the latter specifically grants to such Owner an easement permitting the persistence of such encroachment. In addition, an overhang easement is granted to any Owner whose eaves, gutters or similar items overhang a reasonable distance or abut the Lot of another Owner.

Section 10.3. The shared wall or other structure separating adjoining houses shall be and remain a party wall and shall be subject to the following:

Section 10.3.1. Each Owner of a house having a shared wall promises to do nothing to disturb the integrity and support provided by the wall or other structure. Any Owner (or person for whom an Owner is responsible) causing any such damage or injury shall be liable for the restoration thereof and for any other costs or expenses incurred in connection therewith.

Section 10.3.2. If such damage or injury is caused by neither of such Owners or persons for whom they are responsible, then the restoration and other costs and expenses shall be borne equally by both such Owners. Further, an Owner who by his negligent 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 10.3.3. The cost of reasonable repair and maintenance of a party wall shall be shared by both Owners.

Section 10.3.4. This section shall apply whether the party wall be located exactly on the boundary line between the adjoining Lots or merely in near proximity to the boundary.

Section 10.4. Each Owner covenants to provide such casements for drainage and water flow as the contours of the land and the arrangement of buildings thereon requires.

Section 10.5. The Owner of any Lot on which equipment or devices, consisting primarily of (but not limited to) air conditioning equipment, fences, walls, walkways, and patios on the Common Areas is granted an easement for the purpose of walking through the Common Areas in order to accommodate repairs thereto and make replacements thereof, such easement not existing, however, if the purpose for such traversing, or walking through, is one requiring by virtue of Article VIII of this statement, approval of the Architectural Committee of the Association, unless such approval is obtained. Further no such repair or replacement shall unreasonably interfere or obstruct access to and use of the Common Areas.

**ARTICLE XI**  
**Deviations**

Section 11.1. The Association may grant approval for deviations from the restrictions provided in Article V, so long as such deviations are generally consistent and harmonious with the remainder of the Community and do not adversely affect the value of another Lot. Such approval shall require the affirmative vote of holders of a 67% of all the Memberships voting at a meeting duly called for this purpose, written notice of which shall be delivered to all members not less than thirty (30) days nor more than fifty (50) days before the date of the meeting, setting forth the purposes of the meeting.

**ARTICLE XII**  
**Architectural Committee**

Section 12.1. The Board of Directors of the Association shall appoint an Architectural Committee composed of at most three (3) Owners to approve improvements proposed to be made by any Owner. The Architectural Committee shall meet within fifteen (15) days after an Owner has made application to it for approval, submitting at that time two (2) sets of plans and specifications. The Architectural Committee shall render its decision within thirty (30) days after this meeting, either approving the plans or disapproving them, in the latter case making specific reference to those features, which caused the disapproval. Approval may be conditioned upon completion within a specified period of time. All decisions shall be made by a majority vote of the Architectural Committee. A failure of the Committee to act will result in the project being considered approved.

**ARTICLE XIII**  
**Sales of Lots**

Section 13.1. If any Owner of a Lot wishes to sell or lease the same and receives a bona fide offer for purchase or lease of his Lot, such fact shall be transmitted in writing to the of the Board of Directors of the Association together with a copy of such offer and the terms thereof. The owner shall also transmit an affidavit executed by such Owner and duly notarized, attesting that such offer has been made and the offer to the best of such Owner's knowledge, is acting in good faith. The Association shall have the right to purchase or lease the Lot on the terms and conditions specified in the offer. Such right is assignable, but in all cases is execrable only within ten (10) days of the receipt of the written notice from the Owner (by written notice to the Owner) and the deposit of a matching down payment or deposit. In the event the Association fails to exercise its option within such ten (10) day period, such Owner shall have the right to sell or lease his Lot to the Person making such offer and on the terms and conditions therein set forth. Transfers by will or pursuant to the laws of intestacy or bona fide gifts to an Owner's spouse or for members of an Owner's immediate family (thatis, children, grandchildren and parents) shall not be subject to the provisions of this Article XII.

Section 13.2. In the event any Owner shall attempt to sell or lease his Lot without affording to the Association the right of first refusal herein provided, such sale or lease shall be wholly null and void and shall confer no title or interest whatsoever upon the intended purchaser or lessee.

Section 13.3. Any lease shall be subject to the provisions hereof. The liability of the owner under this Article continues notwithstanding the fact he may have leased his Lot.

Section 13.4. This Article shall not affect the right of an Owner to subject his Lot to a deed of trust, mortgage or other security interest.



Section 13.5. The failure or refusal of the Association or the party to whom its rights under this Article have been assigned to exercise its right to so purchase or lease shall not be deemed a waiver of such a right when an Owner receives any subsequent bona fide offer from a prospective purchaser or tenant.

#### **ARTICLE XIV Dissolution or Other Failure of the Association**

Section 14.1. Upon the dissolution of the Association, or if the Association shall fail or refuse to adequately maintain the appearance and condition of the Common Areas or other areas it is obligated to maintain, the City of Dallas shall have the right and may assume the duty of performing all such maintenance obligations of the Association (1) if dissolution has taken place, upon giving written notice to all Owners, or (2) if a failure or refusal has taken place, at any time after the expiration of thirty (30) days of written notice to all Owners. Pursuant to this end, the City of Dallas may collect a pro rata assessment from the Owners, which assessments shall be a lien on each Lot in like manner as the Annual Assessments and enforceable in the same manner as provided therefore; and which shall be in an amount not less than the actual cost of such maintenance, but under no circumstance less than Seventy-five Dollars (\$75.00) per Lot per year; or, in the alternative, the City of Dallas may collect such assessment from the Association and for such purpose utilize all remedies, legal or equitable, as it may deem necessary to collect such assessment from the Association.

Section 14.2. During such period of dissolution, failure or refusal, the Association shall have no obligation or authority with respect to the maintenance of the Common Areas or other areas it was obligated to maintain. The power and authority herein granted to the City of Dallas shall cease to exist at such time as the Association shall deliver to the City of Dallas substantial evidence of its willingness and ability to resume maintenance of the Common Areas and other areas it was obligated to maintain.

Section 14.3. In the event the City of Dallas assumes the duty of performing the maintenance obligations of the Association, the City of Dallas, its agents, representatives and employees shall have right of access to and over the Common Areas for such purpose. In no event, and under no circumstances, shall the City of Dallas be liable to the Owners, their heirs, devisees, personal representatives, and assigns for negligent acts relating to the performance of such maintenance.

#### **Article XV Liability of Board of Directors and Officers**

Section 15.1. The members of the Board of Directors and officers of the Association shall not be liable to any Owner or any person claiming by or through any Owner for any act or omission of such Director or officer in the performance of his duties except if such act or omission shall involve gross negligence, bad faith or reckless disregard of his duties, and the Association shall have the power to indemnify all such Directors and officers from all claims, demands, actions and proceedings and any expenses in connection therewith, except if such Director or officer be judicially declared to have acted in a grossly negligent manner, with bad faith, or in reckless disregard of his duties.

**ARTICLE XVI**  
**Right to Enforce**

Section 16.1. The restrictions herein set forth shall run with the land and bind the present Owner except as otherwise provided, its successors and assigns, and all parties claiming by, through or under it, shall be taken to hold, agree and covenant with the Owner of said land, it's or their heirs, personal representatives, successors and assigns, and with each of them, to conform to and observe said restrictions as to the use of said Lots and the construction of improvements thereon. No restriction herein set forth shall be personally binding on any Person except in respect to breaches committed during his ownership of title to his Lot. Any Owner or Owners of any Lot shall have the right to sue for and obtain an injunction to prevent the breach of or to enforce the observance of the restrictions above set forth in addition to the ordinary legal action for damages. Failure of any Owner or Owners or the Association to enforce any of the restrictions herein set forth shall in no event be deemed a waiver of the right to do so or to enforce other restrictions.

**ARTICLE XVII**  
**Invalidation**

Section 17.1. The invalidation of any of the restrictions herein set forth shall in no event affect any of the other restrictions in this statement.

**ARTICLE XVIII**  
**Duration**

Section 18.1. All of the restrictions set forth herein shall continue and be binding until modified or vacated. The Owners of 67% of the Lots may, by a written instrument signed by all of such Persons, vacate or modify all or any part of these Restrictive Covenants. Any such violation or modification shall be filed of record in the Dallas County Deed Records promptly when executed; No amendment to these Restrictive Covenants shall impair or otherwise affect the rights of the holder of any prior, recorded deed of trust covering any Lot or the Common Areas unless such holder joins in such amendment.

**ARTICLE XIX**  
**Notices**

Section 19.1. All notices required to be given by the Association to its Members in writing shall be deemed to have actually been given if actually received and, whether or not actually received, when deposited in the United States mail, postage prepaid, and addressed to non-resident Member at his/her address as it appears on the books of the Association, and shall be deemed given when mailed. Resident members may receive notices by email or delivered directly to their residence