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7/17/90 7/17/90 By Bill Davis

AMENDED BYLAWS

OF

BENT TREE PLACE ASSOCIATION, INC.

ARTICLE I

GENERAL

Section 1. Name. The name of the corporation shall be BENT TREE PLACE ASSOCIATION, INC., ("Association").

Section 2. Principal Office. The principal office of the Association shall be at 3410 Timber Mill Road, Waco, Texas, or at such location as may be designated by the Association's Board of Directors. All books and records of the Association shall be kept at its principal office.

expressed, the term "Corporation" shall be synonymous with "Association" as defined in the Enabling Declaration ("Declaration") of the Bent Tree Place Condominium ("Condominium"), and in the Covenants, Conditions and Restrictions for Lots 7 through 28, Block 5 of the Central Park Addition to the City of Waco ("Covenants") and the words "Condominium Property", "Unit", "Unit Owner", "Owner of a Unit", "Assessment", "Condominium Parcel", "Common Elements", "Limited Common Elements", "Common Expenses", "Condominium", "Mortgagee" and "Declarant" are defined as set forth in the Declaration, and the words "Owner", "Property", "Common Area", "Lot", "Living Unit", "Declarant" and "Member" are defined as set forth in the Covenants.

Section 4. Purpose. The purpose of the Association shall be to perform and carry out the duties and obligations as set forth in the Declaration and/or the Covenants and/or incidental thereto having as its primary objective the uniform management and maintenance of the property subject thereto for the general benefit of all Unit Owners and Owners.

ARTICLE II

DIRECTORS

Section 1. Number and Term. As set forth in the Declaration and Covenants, the Declarant shall be entitled to appoint representatives constituting the Board of Directors until all of the Condominium Parcels and Lots have been sold. The initial Board of Directors shall have four (4) members and the number of Directors shall not be increased until all the Condominium Parcels and Lots have been sold by the Declarant. The number of Directors which shall constitute the whole Board shall not be less than three (3) nor more than nine (9). Except for the Declarant's representatives and other members of the initial Board of Directors, all Directors shall be Members. Within the limits above specified, the number of Directors shall be determined by the Members at the annual meeting. Except for the Declarant's representatives as provided above, each Director shall be elected to serve for a term of one (1) year, or until his successor shall be elected and shall qualify.

Section 2. Vacancy and Replacement. If the office of any Director or Directors becomes vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, a majority of the remaining Directors, though less than a quorum, at a special meeting of Directors duly called for this purpose, shall choose a successor or successors, who shall hold office for the unexpired portion of the term of the vacated office.

Section 3. Removal. Directors, other than the Declarant's representatives, may be removed for cause by an affirmative vote of a majority of the qualified votes of Members. No Directors other than the Declarant's representatives shall continue to serve on the Board if, during his term of office, his membership in the Association shall be terminated for any reason whatsoever.

Section 4. First Board of Directors. The first Board of Directors named in the Articles shall hold office and exercise all powers of the Board of Directors as provided in Article VI of the Articles.

Section 5. Powers. The property and business of the Association shall be managed by the Board of Directors, which may exercise all corporate powers not specifically prohibited by statute, the Articles, the Declaration or the Covenants. The powers of the Board of Directors shall specifically include, but not be limited to, the following:

- A. To levy and collect regular and special Assessments.
- B. To use and expend the Assessments collected to maintain, care for and preserve the Units, Condominium Property, and the Common Area, except those portions thereof which are required to be maintained, cared for and preserved by the Unit Owners or Owners.
- C. To purchase the necessary equipment required in the maintenance, care and preservation referred to above.
- D. To enter into and upon the Lots, Common Area or Units when necessary, with as little inconvenience to the Owners or Unit Owners as possible, in connection with said maintenance, care and preservation.
- E. To insure and keep insured said Condominium Property and Common Area, in the manner set forth in the Declaration or the Covenants, against loss from fire and/or other casualty and the Unit Owners and Owners against public liability, and to purchase such other insurance as the Board of Directors may deem advisable.
- F. To collect delinquent Assessments by suit or otherwise, abate nuisances and enjoin or seek damages from the Unit Owners or Owners for violations of these Bylaws and/or the Declaration and/or the Covenants.
- G. To employ and compensate such personnel as may be required for the maintenance and preservation of the Condominium Property, and/or Common Area.
- H. To make reasonable rules and regulations for the occupancy of the Units and use of the Common Elements, and/or Common Area.
- To acquire, rent or lease Units in the name of the Association or a designee.

- J. To contract for management of the Condominium Property and/or Common Area and to delegate to such other party or parties all powers and duties of the Association except those specifically required by the Declaration or the Covenants to have the specific approval of the Board of Directors or membership.
- K. To carry out the obliations of the Association under any easements, restrictions or covenants running with any land submitted to Condominium ownership, or constituting a part of the Common Area.

Section 6. Compensation. Neither Directors nor officers shall receive compensation for their services as such.

Section 7. Meetings.

- A. The first meeting of each Board newly elected by the Members shall be held immediately upon adjournment of the meeting at which they were elected, provided a quorum shall then be present, or as soon thereafter as may be practicable. The annual meeting of the Board of Directors shall be held at the same place as the Members' meeting, and immediately after the adjournment of same.
- B. Special meetings shall be held whenever called by the President or a majority of the Board. The Secretary shall give notice of each special meeting either personally, by mail or telegram, at least three (3) days before the date of such meeting, but the Directors may waive notice of the calling of the meeting.
- C. A majority of the Board shall be necessary at all meetings to constitute a quorum for the transaction of business, and the act of a majority present at any meeting in which there is a quorum shall be the act of the Board. If a quorum shall not be present at the meeting, the Directors then present may adjourn the meeting until a quorum shall be present.

Section 8. Order of Business. The order of business at all meetings of the Board shall be as follows:

- A. Roll call;
- B. Reading of Minutes of the last meeting;
- C. Consideration of communication;
- D. Resignations and elections;
- E. Reports of officers and employees;
- F. Reports of committees;
- G. Unfinished business;
- H. Original resolutions and new business;
- I. Adjournment.

Section 9. Annual Statement. The Board shall present, no less often than at each annual meeting, a full and clear statement of the business and condition of the Association including a report of the operating expenses of the Association and the Assessments paid by each Member.

ARTICLE III

OFFICERS

Section 1. Executive Officers. The executive officers of the Association shall be a President, Vice-President, Treasurer and Secretary, all of whom shall be elected annually by said Board. Any two (2) of said offices may be united in one person, except that President shall not also be the Secretary or an Assistant Secretary of the corporation. If the Board so determines, there may be more than one Vice-President.

Section 2. Subordinate Officers. The Board of Directors may appoint such other officers and agents as they deem necessary, who shall hold office during the pleasure of the Board of Directors and have such authority and perform such duties as from time to time may be prescribed by said Board.

Section 3. Tenure of Officers; Removal. All officers and agents shall be subject to removal, with or without cause, at any time by action of the Board of Directors, which may delegate such powers to any officer.

Section 4. The President.

- A. If present, the President shall be Chairman of and shall preside at all meetings of the Members and Directors; he shall have general and active management of the business of the Association except that which is delegated; shall see that all orders and resolutions of the Board are carried into effect; and shall execute bonds, mortgages and other contracts on behalf of the corporation.
- B. He shall have general superintendence and direction of all the other officers of the Association, and shall see that their duties are performed properly.
- C. He shall submit a report of the operations of the Association for the fiscal year to the Directors (whenever called for by them) and to the Members at the annual meeting, and from time to time shall report to the Board all matters within his knowledge which the best interests of the Association may require be brought to their notice.
- D. He shall be an ex officio member of all committees, and shall have the general powers and duties of supervision and management usually vested in the office of the President of a corporation.

Section 5. The Vice-President. The Vice-President shall be vested with all the powers and required to perform all the duties of the President in his absence, together with such other duties as may be prescribed by the Board of Directors.

Section 6. The Secretary.

A. The Secretary shall keep the minutes of meetings of the Members and of the Board of Directors in one or more books provided for that purpose;

- B. He shall see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law;
- C. He shall he custodian of the corporate records and of the seal, if any, of the Association and shall see that the seal, if any, of the Association is affixed to all documents, the execution of which on behalf of the Association under its seal, if any, is duly authorized in accordance with the provisions of these Bylaws;
- D. He shall keep a register of the post office address of each Member, which shall be furnished to the Secretary by such Member;
- E. In general, he shall perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

Section 7. The Treasurer.

- A. The Treasurer shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association, and shall deposit all monies and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors.
- B. He shall disburse the funds of the Association as ordered by the Board, taking proper vouchers for such disbursement, and shall render to the President and Directors, at the regular meeting of the Board, or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Association.

Section 8. Vacancies. If the office of the President, Vice-President, Secretary or Treasurer becomes vacant by reason of death, resignation, removal, disqualification or otherwise, the Directors, by a majority vote of the Board of Directors, may choose a successor or successors who shall hold office for the unexpired portion of the term of the vacated office.

Section 9. Resignations. Any officer may resign his office at any time, in writing, which resignation shall take effect from time of its receipt by the Association, unless some later time be fixed in the resignation, and then from that date. The acceptance of a resignation shall not be required to make it effective.

ARTICLE IV

<u>MEMBERSHIP</u>

Section 1. Definition. Each Unit Owner of Bent Tree Place Condominium (including the Declarant) and each Owner of any Lot 8 through 28 of Block 5 of the Central Park Addition (including the Declarant) which is subject to the Covenants shall be a Member of the Association, and membership in the Association shall be limited to Unit Owners and/or Owners.

Section 2. Transfer of Membership and Ownership. Membership in the Association may be transferred only as an incident to the transfer of the transferor's Unit or Lot and his undivided interest in the Common Elements of the Condominium and/or of any Lot. Such transfer shall be subject to the procedures set forth in the Declaration and/or Covenants.

ARTICLE V

MEETINGS OF MEMBERSHIP

Section 1. Place. All meetings of the Association membership shall be held at such place as may be stated in the notice of the meeting.

Section 2. Annual Meeting.

- A. The first annual meeting of Members shall be held at such time as the first election of Directors is to be held. In addition to the election of Directors at said first meeting, such other business as may properly come before the meeting may be transacted.
- B. Regular annual meetings subsequent to the first meeting shall be held each year on the first weekday of the month in which said first meeting was held, if not a legal holiday, and if a legal holiday, then on the next secular day following.
- C. All annual meetings shall be held at the hour of 7:00 p.m.
- D. At the annual meeting, the Members, by a plurality vote (cumulative voting prohibited) shall elect a Board of Directors and transact such other business as may properly come before the meeting.
- E. Written notice of the annual meeting shall be served upon or mailed to each Member entitled to vote at such address as appears on the books of the Association, at least ten (10) day prior to the meeting.

Section 3. Membership List. At least ten (10) days before every election of Directors, a complete list of Members entitled to vote at said election, arranged numerically by Units or Lots, with the residence of each Member, shall be prepared by the Secretary. Such list shall be produced and kept for said ten (10) days and throughout the election at the office of the Association, and shall be open to examination by any Member throughout such time.

Section 4. Special Meetings.

A. Special meetings of the Members, for any purpose or purposes, unless otherwise prescribed by statute or by the Articles, may be called by the President, and shall be called by the President and Secretary at the request, in writing, of Members having not less than one-tenth (1/10) of the votes entitled to be cast at such meeting. Such request shall state the purpose or purposes of the proposed meeting.

- B. Written notice of a special meeting of Members stating the time, place and object thereof, shall be served upon or mailed to each Member entitled to vote thereon, at such address as appears on the books of the Association, at least ten (10) days before such meeting.
- C. Business transacted at all special meetings shall be confined to the objects stated in the notice thereof.

Section 5. Quorum. Ten (10%) percent of the total Members of the Association, present in person or represented by written proxy, shall be requisite to and shall constitute a quorum at all meetings of the Members for the transaction of business, except as otherwise provided by statute, the Articles or these Bylaws. If, however, such quorum shall not be present or represented at any meeting of the Members, the Members entitled to vote thereat, present in person or represented by written proxy, shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting originally called.

Section 6. Vote Required to Transact Business. When a guorum is present at any meeting, a majority of the votes cast, in person or represented by written proxy, shall decide any question brought before the meeting, unless the question is one which, by express provision by the Texas Statutes, the Declaration, the Covenants, the Articles or these Bylaws requires a different vote, in which case such express provision shall govern and control the decision of such question.

Section 7. Right to Vote. Each Member shall be entitled to one (1) vote. At any meeting of the Members, every Member having the right to vote shall be entitled to vote in person or by proxy. Such proxy shall only be valid for such meeting or subsequent adjourned meetings thereof. Proxies must be filed with the Secretary of the Association at or before the appointed time of each meeting of the Members of the Association.

If a Unit or a Lot is owned by more than one Owner (other than husband and wife), whether individual or corporate, said Owners shall file a certificate with the Secretary naming the person authorized to cast said Unit's or Lot's vote. If same is not on file, the vote of such Unit or Lot shall not be considered, nor shall the presence of said Unit Owners or Owners at a meeting be considered in determining whether the guorum requirement has been met.

Section 8. Waiver and Consent. Whenever the vote of Members at a meeting is required or permitted by any provision of the Texas Statutes, the Declaration, the Covenants, the Articles or these Bylaws in connection with any action of the Association, the meeting and vote of Members may be dispensed with if all Members who would have been entitled to vote upon the action of such meeting is such meeting were held shall consent in writing at such action being taken.

Section 9. Order of Business. The order of business at annual Members' meetings will be:

- Election of Chariman;
- Roll Call;
- 3. Proof of Notice of Meeting or Waiver of Notice;
- Reading of Minutes of Prior Meeting;

- 5. Officers' Reports;
- 6. Committee Reports;
- 7. Elections;
- 8. Unfinished Business;
- 9. New Business:
- 10. Adjournment.

ARTICLE VI

NOTICES

Section 1. Definition. Whenever under the provisions of the Texas Statutes, the Declaration, the Covenants, the Articles or these Bylaws, notice is required to be given to any Director or Member, it shall not be construed to mean personal notice, but such notice may be given in writing by mail, by depositing the same in a post office or letter box in a postpaid, sealed envelope, addressed as appears on the books of the Association.

Section 2. Service of Notice - Waiver. Whenever any notice is required to be given under the provisions of the Texas Statutes, the Declaration, the Covenants, the Articles or the Bylaws, a waiver thereof, in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

Section 3. Address. The address for notice to the Association is 3410 Timber Mill Road, Waco, Texas, or at such other address as indicated in the records of the Association.

ARTICLE VII

FINANCES

Section 1. Fiscal Year. The fiscal year shall be the calendar year.

Section 2. Checks. All checks or demands for money and notes of the Association shall be signed by any one of the following officers: President, Vice-President, Secretary or Treasurer, or by such officer or officers or such other person or persons as the Board of Directors may from time to time designate. The Board of Directors by resolution may require more than one (1) signature.

Section 3. Determination of Assessments.

The Board of Directors shall fix Assessments adequate to meet the Common Expenses of the Condominium and the expenses of the Common Area and as called for in the Covenant, all such expenses being sometimes hereafter collectively referred to as "Assessment Expenses". Assessment Expenses shall include expenses for the operation, maintenance, repair or replacement of the Common Elements, the Limited Common Elements and the Common Area costs of carrying out the powers and duties of the Association, all insurance premiums and expenses relating thereto, including fire insurance, and any other expenses designated as Assessment Expenses from time to time by the Board of Directors. The Board of Directors is specifically empowered on behalf of the Association to make and collect Assessments, and to maintain, repair and replace the Common Ellements and/or the Common

Area. Special Assessments, which may be required by the Board of Directors, shall be levied and paid in the same manner as herein-before provided for regular Assessments. Assessments shall be made against the Members in accordance with the nature of the Assessment Expense and the property and/or Members generally benefiting therefrom, all as the Board of Directors may determine from time to time. As of this date, it is determined that the following Assessment Expenses shall be assessed as follows:

- (1) Assessment Expenses relating to (i) the repair, maintenance, and cost of any insurance on the swimming pool, club house, or other recreational area, (ii) the repair and maintenance of all streets and rights of way owned by the Association or making a part of the property subject to the Declaration and/or Covenants, (iii) general utility maintenance, (iv) the repair, maintenance and operation of exterior lighting, and (v) general public liability insurance covering the property subject to the Declaration and Covenants, shall be made and assessed equally against each Member;
- (2) Assessment Expenses relating to ground and yard maintenance including ground maintenance of lots, landscaping, watering and maintenance of the entrance to the Condominium Property and Lots and surrounding area shall be assessed (i) one-half (1/2) against all Owners of Lots with each Owner to be assessed for his equal share of said one-half (1/2), and (ii) one-half (1/2) against all Unit Owners with each Unit Owner to be assessed for his equal share of said one-half (1/2);
- (3) Assessment Expenses relating to fire and extended coverage insurance covering the Condominum Property shall be assessed solely against the Unit Owners with each Unit Owner to be assessed for his equal share of said amount; and
- (4) All other Assessment Expenses shall be assessed as determined by the Board of Directors.
- B. Unless otherwise specified in writing by the Association, all Assessments shall be payable in advance on or before the first day of each month and shall be deemed delinquent if not received by the Association on or before the tenth day of each month. Unless otherwise specified in writing by the Association, all Assessments shall be and are payable to the Association at its principal office in Waco, McLennan County, Texas. It shall not be necessary for the Association to mail or present to any Member a monthly or other regular statement for the Assessment, rather, it shall

be each Member's responsibility to pay each monthly or other Assessment as and when the same shall become due. When the Board of Directors has determined an increase or decrease in the monthly Assessment, or determined the need, if any, of any special Assessment, the Secretary or Treasurer of the Association shall mail or present notice thereof, along with the effective date thereof and the due date thereof, if other than the first day of the month next following the date of such notice, to each of the Members. Thereafter, no further notice shall be required of the Association unless and until there shall be a subsequent increase or decrease in the Assessment or another special Assessment.

C. Notwithstanding anything in these Bylaws, the Articles, the Declaration or the Covenants which authorize expenditures, no expenditure for the improvement of the Common Elements exceeding \$10,000.00 per annum shall be made without the approval of sixty-six and two-thirds (66 2/3%) percent of the membership, except for the repair of the Condominium Property or any Common Area due to casualty loss.

Section 4. Accounting and Audit. The Association shall keep detailed books of account showing all expenditures and receipts and which shall specify the maintenance and repair expenses of the Common Elements, or Common Area and any other expenses incurred by or on behalf of the Association. Such books shall be open for inspection by the Members during reasonable working hours on weekdays and shall be audited annually by qualified auditors, as required in Section 14 of the Act. The cost of such audit shall be an Assessment Expense.

ARTICLE VIII

RULES AND REGULATIONS

In addition to the other provisions of these Bylaws, the following Rules and Regulations, together with such additional Rules and Regulations as may hereafter be adopted by the Board of Directors, shall govern the use of Units and the conduct of all residents thereof:

- A. Units shall be used only for residential purposes. No more than four (4) individuals shall occupy any two hedroom Unit and no more than six (6) individuals shall occupy any three bedroom Unit.
- B. Unit Owners shall not use or permit the use of their premises in any manner which would be disturbing or be a nuisance to other Owners, or in such way as to be injurious to the reputation of the property subject to the Declaration and/or Covenants. No Unit Owner shall do or permit anything to be done or keep or permit to be kept in his Unit or on the Common Elements anything that will increase the rate of insurance on the Condominium Property. No Unit Owner shall store any dangerous explosive or inflammable liquids or other materials either in his Unit or upon the Common Elements.

- C. The use of the Condominium Parcels shall be consistent with existing law and the Declaration to which these Bylaws become a part.
- D. Common Elements, and Common Area shall not be obstructed, littered, defaced or misued in any manner.
- E. No structural changes or alteration shall be made in any Unit without prior written consent of the Board of Directors and any mortgagee holding a mortgage on said Unit.
- anything to be hung or displayed on the outside of windows or placed on the outside walls of his Unit, and no sign, awning, shutter or antenna shall be affixed to or placed on the exterior walls or roof, or any part thereof, without the prior consent of the Association.
- G. No outdoor clothes lines may be erected, and nothing shall be hung or exposed on any part of the Common Elements.
- H. Common walks and other Common Elements shall be kept free from rubbish, debris and other unsightly materials, and shall not be obstructed, littered, defaced or misused in any manner.
- I. No "for sale" or "for rent" signs or other window displays or advertising shall be permitted on any part of the Condominium Property or in any Unit except as may be authorized in writing by the Association.
- J. No animal shall be kept except household pets. Such pets may not be kept or bred for any commercial purposes and shall have such care or restraint so as not to be obnoxious or offensive on account of noise, odor or unsanitary conditions. No savage or dangerous animal shall be kept. No pets may be permitted to run loose upon the Common Elements or Common Area.
- K. No Unit Owner or occupants of any Unit shall be entitled to have more than two (2) motor vehicles of any type parked or located on the Condominium Property. Trucks, boats, recreational vehicles, campers or similar vehicles shall be parked on the Condominium Property only in the assigned covered parking area of the respective Unit owned or occupied by the owner of any such vehicle(s).
- L. None of the restrictions contained in this Article shall apply to the commercial activities or signs or billboards, if any, of the Declarant during the sales period of the Condominium Project or of the Association in furtherance of its powers and purposes set forth herein and in its Articles of Association and Bylaws as the same may be amended from time to time.

ARTICLE IX

DEFAULT

In the event a Member does not pay any sum, charge or Assessment required to be paid to the Association within ten (10) days from the due date, the Association, acting on its own behalf or through its Board of Directors, may enforce its lien for Assessments or take such other action to recover the sum, charge or Assessment to which it is entitled in accordance with the Declaration, or the Covenants and the laws of the State of Texas.

If the Association becomes the Owner of a Unit or a Lot or Living Unit by reason of foreclosure, it shall offer same for sale and at such time as a sale is consummated, it shall deduct from the proceeds of said sale all sums of money due it for Assessments and charges, including reasonable attorney's fees, and any and all expenses incurred in the resale of the Unit or a Lot or Living Unit, which shall include but not be limited to advertising expenses, real estate brokerage fees and expenses necessary for the repairing and refurnishing of the Unit or a Lot or Living Unit. All monies remaining after deducting the foregoing items of expenses shall be returned to the former Owner of the Unit or a Lot or Living Unit, and/or his mortgagee, as their interests may appear.

In the event of a violation of the provisions of the Declaration and/or the Covenants, the Articles or Bylaws, (other than the timely payment of Assessments) which violation is not corrected within thirty (30) days after notice from the Association, the Association may take such action as it may deem appropriate, including the institution of legal action to correct the violation or exercise its remedies for such default.

In the event such legal action is brought against a Member and results in a judgment for the Association, the Defendant Member shall pay the Association's reasonable attorney's fees and court costs.

Each Member, for himself, his heirs, successors and assigns, agrees to the foregoing provisions regardless of the harshness of the remedy available to the Association and regardless of the availability of the other equally adequate procedures. It is the intent of all Members to give to the Association such powers and authority which will enable it to operate on a business-like basis, to collect those monies due and owing it from Members, and to preserve each Member's right to enjoy his Unit or Lot or Living Unit free from unreasonable restraint and nuisance.

ARTICLE X

JOINT OWNERSHIP

Membership may be held in the name of more than one person or corporation. In the event ownership is in more than one person or coproration, all of the joint owners shall be entitled collectively to only one vote in the management of the affairs of the Association and said vote may not be divided between multiple owners.

ARTICLE XI

AMENDMENT

These Bylaws may be amended at any duly called meeting of the Members. The notice of the meeting shall contain a full statement of the proposed amendment, and the quorum requirement for such purposes shall be a majority of all Members. It shall be

necessary that there be an affirmative vote of seventy-five (75%) percent of all the Members present at such meeting and seventy-five (75%) percent of the Board of Directors to amend these Bylaws. No amendment to these Bylaws shall be passed which would operate to impair or prejudice the rights or liabilities of any mortgagee of any Unit or Lot or Living Unit.

ARTICLE XII

MORTGAGES

Section 1. Notice to Association. Any Member who mortgages his Unit or Lot shall notify the Association of the name and address of the mortgagee, and the Association shall maintain such information in a book entitled "Mortgagees of Units or Lots".

The Association may, at the written request of a mortgagee of any such Unit or Lot, report any unpaid Assessments due from the Owner of such Unit or Lot.

Section 2. Motice to Mortgagees. The Association upon the request of any mortgagee of any Unit or Lot shall notify such mortgagee of the name of each company insuring the Condominium Property or Common Area and the amounts and type of the coverages thereunder.

ARTICLE XIII

CONSTRUCTION

Wherever the masculine singular form of the pronoun is used in these Bylaws, it shall be construed to include the masculine, feminine or neuter, singular or plural, wherever the context so requires.

In the event the Declaration, Bylaws or Articles of Incorporation conflict with the provisions of the Act, then the Act shall govern. In the event these Bylaws shall be inconsistent with the Declaration or the Covenants, then the Declaration or Covenants, as the case may be, shall be controlling.

ARTICLE XIV

SEVERABILITY

In the event that any of the terms, provisions or covenants of these Bylaws are held to be partially or wholly invalid or unenforceable for any reason watsoever, such holding shall not affect, alter, modify or impair in any manner whatsoever any of the other terms, provisions or covenants hereof or the remaining portions of any terms, provisions or covenants held to be partially invalid or unenforceable.

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COVENANTS, CONDITIONS AND RESTRICTIONS FOR LOTS SEVEN (7) THROUGH TWENTY-EIGHT (28)
BLOCK FIVE (5), CENTRAL PARK ADDITION
TO THE CITY OF WACO

THIS DECLARATION made on the date hereinafter set forth by BHD CORPORATION, a Texas corporation, hereinafter referred to as "Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner of all of the lots and property known and described as Lots Seven (7) through Twenty-Eight (28), Block Five (5), Central Park Addition of the City of Waco, as per plat thereof recorded at Volume 1536, Page 680 of the McLennan County Deed Records all of which property shall hereafter be referred to as the "Property"; and

WHEREAS, Declarant desires to create on the Property a residential community with permanent common spaces and other common facilities for the benefit of the said community; and to this end, desires to subject the Property to the covenants, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of the Property and each owner thereof; and

WHEREAS, Declarant has deemed it advisable to delegate and assign the powers of maintaining and administering the common spaces, improvements and facilities and administering and enforcing the covenants and restrictions and collecting and disbursing the assessments and charges hereafter created to BENT TREE PLACE ASSOCIATION, INC., a non-profit corporation created for the purposes of administering the operation and management of THE BENT TREE PLACE CONDOMINIUMS, of which the Property was formerly a part;

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

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to the BENT TREE PLACE ASSOCIATION, INC., its successors and assigns.

"Articles" and "Bylaws" mean the Articles of Section 2. Incorporation and Bylaws of the Association as they exist from time to time.

Section 3. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any Lot which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 4. "Property" shall mean and refer to that certain real property hereinbefore and hereafter described.

Section 5. "Common Area" shall mean all real property for the common use and enjoyment of the Owners, as may be shown and/or dedicated on any recorded subdivision plat of the Property or as may be determined by the Association, to include without

limitation the streets, entrance, subdivision fencing, paved areas not lying within any Lot and any clubhouse, swimming pool or other recreational area.

- Section 6. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Property with the exception of the Common Area.
- Section 7. "Declarant" shall mean and refer to BHD CORPORATION, its successors and assigns.
- Section 8. "Living Unit" shall mean and refer to any portion of a building situated upon the Property designed and intended for use and occupancy as a residence by a single family.
- Section 9. "Member" shall mean and refer to all those Owners who are members of the Association as provided in Article IV herein.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION

The real property which is, and shall be, held, transferred, sold, conveyed and occupied subject to this Declaration is 3.853 acres of land located in the State of Texas, County of McLennan and a portion of which includes Lots Seven (7) through Twenty-Eight (28), Block Five (5), of Central Park Addition, to the City of Waco, all such property being herein referred to as the "Property". Declarant hereby reserves the right to make such changes in the boundaries of Lots and in the Common Area as it in its sole discretion deems advisable, provided that any such changes shall not adversely affect the boundaries or the beneficial use and enjoyment of any Lot then owned by any Owner other than Declarant.

ARTICLE III

PROPERTY RIGHTS IN THE COMMON AREA

- Section 1. Members' Easements of Enjoyment. Each Member shall be entitled to the use of the Common Area in accordance with the purposes for which they are intended but no such use shall hinder or encroach upon the lawful rights of other Members. There shall be a joint use of the Common Area and a mutual easement for that purpose is hereby created. The right to use the Common Area shall extend to each Member or authorized occupant of a Living Unit, the members of his immediate family and his guests and visitors. The right to use the Common Area shall be subject to and be governed by this Declaration, the Bylaws, and the rules, regulations and resolutions lawfully made or adopted by the Association. This easement shall be appurtenant to and shall pass with the title to every Lot or Living Unit, whether or not separately described.
- Section 2. Title to Common Area. The Common Area shall be conveyed to and be held by the Association.
- Section 3. Extent of Members' Easements. The rights and easements of enjoyment created hereby shall be further subject to the following:
- (a) the right of the Association to take such steps as are reasonably necessary to protect and preserve the Common Area; and
- (b) the right of the Association, as provided herein or in its Articles and Bylaws, to suspend the enjoyment rights of any Member for any period during which any assessment remains unpaid, and for any period not to exceed thirty (30) days for any infraction of its published rules and regulations relating to the Property; and

- (c) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members, provided that no such dedication or transfer, determination as to the purpose or as to the conditions thereof, shall be effective unless an instrument signed by Members entitled to cast two-thirds (2/3) of the votes of the membership has been recorded, agreeing to such dedication, transfer, purpose or condition; and
- (d) the right of the Association to assign parking spaces on the Common Area for the exclusive use of one or more of its Members.

ARTICLE IV

THE ASSOCIATION, MEMBERSHIP, POWERS AND RESPONSIBILITIES

- Section 1. Membership in Association. BENT TREE PLACE ASSOCIATION, INC., a non-profit Texas corporation, the Association, shall perform the acts and duties in connection with the management of the Common Area and to levy and enforce collection of assessments necessary to perform said acts and duties, and to enforce restrictions and covenants contained in this Declaration. Every Owner shall automatically be a Member of the Association. Each Member shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote accorded to such Lot owned by more than one Owner shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.
- Section 2. Obligations of Members. In addition to other obligations and duties set out in this Declaration, every Member shall:
- (a) promptly pay the assessments levied by the Association; and
- (b) conform to and abide by the Bylaws and uniform rules and regulations in regard to the use of the Common Area which may be adopted in writing from time to time by the Board of Directors of the Association.

Each Member shall strictly comply with, be governed by and conform to the provisions of this Declaration and the Bylaws. Failure to do so shall entitle the Association or any other Owner or Member to recover damages or obtain injunctive relief or both, but such relief shall not be exclusive of other remedies provided by law.

Section 3. Powers and Responsibilities of Association with Respect to the Property.

- (a) The maintaining and administering of the Common Area and the administering and enforcing of the covenants and restrictions and the collecting and disbursing of the assessments shall be vested in the Association. The management and administration of the affairs of the Association shall be conducted by the Board of Directors of the Association consisting of at least three (3) natural persons. The Board of Directors shall be elected as provided in the Bylaws. The Declarant shall have representatives constituting the Board of Directors until all Lots have been sold, unless Declarant's representatives should, at Declarant's sole option, resign from such position at an earlier date.
 - (b) No Owner, except an officer of the Association, shall have any authority to act for the Association.

- (c) The Board of Directors shall have all of the powers, duties and responsibilities as are now or may hereafter be provided by this Declaration and Bylaws, including, but not limited to the following:
- (1) The irrevocable right of access to each Lot or Living Unit at reasonable hours as may be necessary for the maintenance, repair or replacement of any Common Area or for making emergency repairs necessary to prevent damage to the Common Area.
- (2) The power to levy and collect assessments and to lease, maintain, repair, improve and replace the Common Area.
- (3) The power to enter into contracts with others for the maintenance, management and repair of the Common Area and in connection therewith, to delegate the powers and rights therein contained, including that of levying and collecting assessments and perfecting and enforcing liens for non-payment. Each Member, his heirs, successors and assigns, agrees to and shall be bound by any management contracts, if any are executed, to the same extent and effect as if he had executed such contracts for the purposes herein expressed, and upon execution hereof and/or his purchase of a Lot or Living Unit shall thereby be adopting, ratifying, confirming and consenting to the execution of same by the Association, covenanting and promising to perform each and every one of the covenants, promises and undertakings to be performed by Members as required under said contracts, acknowledging that all of the terms and conditions thereof, including the manager's or other's fees, if any, are reasonable, and agreeing that the persons acting as directors and officers of the Association entering into such contracts have not breached any of their duties or obligations to the Association by virtue of the execution of said contracts. The management contracts, if any, and the acts of the Board of Directors and Officers of the Association in entering into such contracts are hereby ratified, confirmed, approved and adopted.
- (4) The power to determine, incur and pay expenses relating to the Common Area or as elsewhere permitted in this Declaration or the Bylaws which expenses shall constitute a portion of the assessments paid by Members.
- (5) The power to open bank accounts on behalf of the Association and to designate the signatures therefor.
- (6) The power to repair or restore the Common Area or any part thereof following damage or destruction or a permanent taking by the power of or power in the nature of eminent domain or by an action or deed in lieu of condemnation.
- (7) The power to own the Common Area and to own, purchase or lease, hold and sell or otherwise dispose of items of personal property necessary to or convenient to the management of the business and affairs of the Association and the Board of Directors.
- (8) The power to enter into contracts, deeds, leases and/or other written instruments or documents and to authorize the execution and delivery thereof by the appropriate officers.
- (9) The power to own, purchase or lease, hold and sell or otherwise dispose of, on behalf of the Owners, items of personal property necessary or convenient to the management of the business and affairs of the Association and the Board of Directors and in the operation of the Common Area, including without limitation, furniture, furnishings, fixtures, maintenance equipment, appliances and office supplies.

- (10) The power to adopt reasonable rules and regulations for the maintenance and conservation of the Common Area or any part thereof, and for the health, comfort, safety and welfare of the Members, all of whom shall be subject to such rules and regulations, and to do all other acts necessary for the operation and maintenance of the Common Area.
- (11) The power to enforce the covenants and restrictions contained in this Declaration.
- (d) Members of the Board of Directors, the officers and any assistant officers, agents and employees of the Association (i) shall not be liable to the Members as a result of their activities as such for any mistake of judgment, negligence or otherwise, except for their own willful misconduct or bad faith; (ii) shall have no personal liability in contract to any Member or any other person or entity under any agreement, instrument or transaction entered into by them on behalf of the Association in their capacity as such; (ii) shall have no personal liability in tort to any Member or any person or entity, direct or imputed, by virtue of acts performed by them, except for their own willful misconduct or bad faith, nor for acts performed for them in their capacity as such and (iv) shall have no personal liability arising out of the use, misuses or condition of the Common Area, which might in any way be assessed against or imputed to them as a result or by virtue of their capacity as such, except for their own willful misconduct or bad faith.
- (e) The Association and/or Members shall indemnify and hold harmless any person, his heirs and personal representatives, from and against all personal liability and all expenses, including attorneys' fees, incurred or imposed, or arising out of or in settlement of any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, instituted by any one or more Members, or any other person or entities, to which he shall be or shall be threatened to be made a party by reason of the fact that he is or was a member of the Board of Directors or an officer or assistant officer, agent or employee of the Association, other than to the extent, if any, that such liability or expense shall be attributable to his willful misconduct or bad faith, provided that in the case of any settlement the Board of Directors shall have approved the settlement, which approval is not to be unreasonably withheld. Such right of indemnification shall not be deemed exclusive of any other rights to which such person may be entitled as a matter of law or agreement, vote of Members or the Board of Directors or otherwise. The indemnification by the Association and/or Members as contained herein shall be paid by the Association on behalf of the Members and shall be assessed and collectable as an assessment.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation for Assessments. Each current Owner and each subsequent Owner of any Lot or Living Unit by execution hereof and/or acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association his pro rata share of the assessments for the maintenance and/or repair of the Common Area. The Association, through its Board of Directors, shall have the power to determine and fix the assessments. The assessments shall be determined and collected as provided in this Declaration and/or the Bylaws. The assessments, together with interest, costs and reasonable attorney's fees shall be a charge on the land and shall be a continuing lien upon the Lot or Living Unit against which each such assessment is

made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Lot or Living Unit at the time when the assessments fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them. The liability for assessments may not be avoided by waiver of the use or enjoyment of the Common Area, or by abandonment of the Lot or Living Unit against which the assessment was made.

Section 2. Purposes of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the health, safety and welfare of the residents of the Property and in particular for the improvements and maintenance of the Property, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Area, and of the Living Units situated upon the Property. They shall include, but are not limited to, funds for the actual cost to the Association of th tion of all taxes, insurance, repair, replacement and maintenance of the Common Area, the maintenance and repair of roads and underground utilities which are part of the Common Area, the maintenance of asphalt paving, curbs, gutters and drainage swales on the streets located in the Common Area, lighting and walkways, garbage pickup and water service, if any, furnished to residences by the Association, the maintenance by the Association, if any, of the exterior of the Lot or Living Unit and other facilities including, but not limited to mowing grass, caring for the grounds, sprinkler system, if any, landscaping, painting, repairing, replacement and care for roofs, gutters, downspouts, exterior building synfaces. exterior building surfaces, trees, shrubs, grass walks and other exterior improvements and other charges required by this Declaration of Covenants, Conditions and Restrictions or that the Board of Directors of the Association, in their opinion, shall determine to be necessary to meet the primary purposes of the Association, including the establishment and maintenance of a reserve for repair, maintenance, taxes and other charges as specified herein. With regard to maintenance of any portion of any Lot or Living Unit, the Association shall not be obligated to do so but may do so if requested by the Owner thereof or if such is deemed necessary by the Association to preserve the value of the Property and in either event the Association shall make a special assessment against the Owner thereof for the cost thereof.

Section 3. Special Assessments for Capital Improvements. In addition to the assessments authorized above, the Association may levy a special assessment for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area including any fixtures and personal property related thereto, provided that there shall be no single improvement or special assessment exceeding the sum of \$10,000.00 made by the Association without the same having been first approved by two-thirds (2/3) of the votes of the Members who are voting in person or by proxy at a meeting duly called for this purpose. The foregoing shall not apply in connection with respect to repairs or improvements required as a result of damage or destruction to the Common Area caused by fire, windstorm or other casualty or by acts of God, or to capital improvements to the Common Area as are necessary in the Board of Directors' reasonable judgment to preserve or maintain the integrity of the Common Area or the Property.

Section 4. Date of Commencement of Assessments: Due Dates. The assessments provided for herein shall commence on each Lot on the first day of the month following the conveyance thereof by the Declarant. The assessments shall be due and payable as provided in the Bylaws. Assessments not paid when due shall bear interest from the due date at such lawful rate of interest as may

be set by the Board of Directors. All payments on assessments shall be first applied to interest and other costs relating to the assessment and then to the assessment payment due. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid.

Section 5. Effect of Non-Payment of Assessments; Remedies of the Association.

- (a) All liens for assessments made by the Association or by the Board of Directors, when authorized to do so, shall be prior to other liens, except that such liens for said assessment shall be subordinate, secondary and inferior to (1) all liens for taxes or special assessments levied by the city, county and state governments or any political subdivision or special district thereof, and (2) liens securing amounts due or to become due under any first lien mortgage, vendor's lien or deed of trust against the Lot. All other lienholders acquiring liens on any Lot after this Declaration shall have been recorded in said records shall be deemed to consent that such liens shall be inferior to future liens for assessments, as provided herein, whether or not such consent be specifically set forth in the instruments creating such liens.
 - (b) To evidence a lien for sums assessed pursuant to this Article, the Board of Directors of the Association or such officers of the Association as its Board of Directors may designate, shall prepare a written notice of a lien setting forth the amount of the assessment, the date due, the amount remaining unpaid, the name of the Owner of the Lot and a description of the Lot. Such notice shall be signed on behalf of the Association by such officer or officers of the Association as its Board of Directors shall designate and may be recorded in the office of the County Clerk of McLennan County, Texas. No notice of lien shall be recorded until there is a delinquency in the payment of the assessment. Such lien for unpaid assessments shall attach from the date of the failure of payment of the assessment.
 - (c) Liens for assessments may be foreclosed (i) by suit brought in the name of the Association in a like manner as a foreclosure of a mortgage on real property without prejudice and subject to the aforesaid prior liens, as in the case of a vendor's lien, or (ii) as is provided for foreclosure of a contractual deed of trust lien on real property under Vernon's Annotated Civil Statutes of Texas, Art. 3810 and in this regard each Owner hereby appoints and designates any trustee appointed by the Association to so act on behalf of the Association and acknowledges and authorizes that such trustee shall be vested with all powers afforded trustees pursuant to Art. 3810 and agrees that to the extent necessary, this Declaration shall constitute a contractual deed of trust lien on his Lot to secure the timely payment of all assessments and other obligations of each Owner set forth herein. No such foreclosure shall affect or impair any such prior liens. In any such foreclosure, the Owner shall be required to pay the cost and expenses of such proceeding, the costs and expenses of filing the notice of lien and all reasonable attorney's fees.

 All such costs and expenses shall be secured by the lien being foreclosed. The Owner shall also be required to pay to the Association any assessments against the Lot which shall become due during the period of foreclosure, and the Association shall be entitled to secure the appointment of a receiver to collect The Association shall have the right and power to bid on the Lot at the foreclosure sale or other legal sale and to acquire, hold, convey, lease, rent, encumber, use and otherwise deal with the same as the Owner thereof, and apply as a cash credit against its bid all sums due the Association secured by the lien being enforced.

- (d) A release of lien shall be executed on behalf of the Association and recorded in the appropriate McLennan County, Texas real estate records, upon payment of all sums secured by a lien which has been made the subject of a recorded notice of a lien.
- (e) Any encumbrancer holding a lien on a Lot may, but shall not be required to, pay any amounts secured by the lien created by this paragraph, and upon such payment such encumbrancer shall be subrogated to all rights of the association with respect to such lien, including priority.
- deemed necessary to collect assessments by either an in personam action or lien foreclosure, or both, and may settle and compromise the same if in the best interest of the Association.
- (g) Upon the sale or conveyance of a Lot, all unpaid assessments against the selling Owner shall be first paid out of the sale price or by the purchaser in preference over any other assessments or charges of whatever nature except the following:
- (1) Assessments, liens and charges in favor of state and any political subdivision thereof for taxes due and unpaid on the Lot; and
- (2) Amounts due under vendor's lien obligations or notes secured by recorded first lien deeds of trust having priority over the assessment as provided above.
- (h) If an Owner shall at any time lease his Living Unit and shall be in default in the timely payment of assessments, the Association, at the option of the Board of Directors, and for so long as such default shall continue, may demand and receive from any tenant of the Living Unit the rent due or becoming due and the payment of such rent to the Association shall be sufficient payment and discharge of such tenant's obligation to the Owner and to the extent of the amount so paid shall be payment and discharge of that portion of the Owner's obligation for such assessments. Any rents received by the Association in excess of the assessments due shall be paid by the Association to the Owner. To the extent necessary to effectuate this Subparagraph (h), each Owner by the purchase of his Lot, does assign all rents and other income attributable to his Living Unit to the Association to secure the timely payment of the assessments.
 - (i) The Association, acting by and through its Board of Directors, shall have the right to assign its claim for any unpaid assessments, and the lien securing said claim to any Owner or group of Owners, or to any third party.
 - (j) Nothing contained herein shall abridge or limit the rights or responsibilities of mortgagees of Lots or Living Units.
 - Section 6. Exempt Property. The following property subject to the Declaration shall be exempt from the assessments created therein: (a) All properties dedicated to and accepted by a local public authority; (b) The Common Area; and (c) All properties owned by a charitable or non-profit organization exempt from taxation by the laws of the State of Texas. However, no Lot or improvements devoted to dwelling use shall be exempt from said assessments.

ARTICLE VI

PARTY WALLS

Section 1. General Rules of Law to Apply. Any wall which is built as part of the original construction of the homes upon the Property and placed on the dividing line 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 negligent or willful facts 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 negligent or willful acts or omissions.
- Section 4. Weatherproofing. Notwithstanding any other provision of this Article, 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 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 successors in title.

ARTICLE VII

ARCHITECTURAL CONTROL

No building, fence, wall or other structure shall be commenced, erected or maintained upon the Property, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing as to compliance with the use restrictions hereafter set forth and as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this article will be deemed to have been fully com-In the event of the death or resignation of any plied with. member of said committee, the remaining member or members shall have full authority to approve or disapprove such plan. All plans, specifications and plot plans, which must be submitted for approval hereunder, shall be submitted to the Association or its committee at the principal office of the Association, or such other address as may hereafter be given in writing to the Owners or contract purchasers involved.

ARTICLE VIII

USE RESTRICTIONS OF LOTS EIGHT (8) THROUGH TWENTY-EIGHT (28)

Section 1. Land Use. Single family residential land use shall be the only permissible land use on any lot except Lot Seven (7) which is designated as Common Area and upon which a clubhouse, swimming pool or other recreational facility may be constructed and operated. No business activities of any kind whatsoever shall be conducted in any building or on any portion

of any Lot, PROVIDED, HOWEVER, the foregoing covenants shall not apply to the business activities, signs and billboards, or the construction and maintenance of Living Units during the construction and sale period of any Lot.

Section 2. Lots. Each Lot shall be conveyed as a separately designated and legally described freehold estate subject to the terms, conditions and provisions hereof. No Lot shall be further divided or decreased in size unless approved by the Architectural Control Committee.

Section 3. Size of Living Unit. The minimum enclosed floor areas, exclusive of garages and porches, permitted within the Property for detached single family Living Unit shall be 1,600 square feet.

Section 4. Exterior Material. All Living Units on any Lot located within the Property must have not less than 75% of the area of their exterior walls covered with brick, masonry (masonry is not to be construed as including unpainted concrete block or common clay tile), Austin stone, or similar material, except for where the use of wood or glass will produce an equal or better appearance, which variations shall be at the sole discretion of the Architectural Control Committee.

Section 5. Temporary Buildings. No temporary building shall be erected or maintained on any Lot except during actual construction of a Living Unit being erected thereon, and then such temporary building must be on the Lot on which construction is in progress and not on adjoining Lots, streets, common area or easements; and at completion of construction, the temporary building must be removed immediately. No such temporary building or construction shall be used for a residential purpose during construction. All buildings constructed upon any Lot shall be completed within a reasonable time.

Section 6. Garages. Any Lot may contain a single or double vehicle garage; however, there shall be no carports located on any Lot.

Section 7. Animals. No animals, livestock, poultry of any kind shall be raised, bred or kept on any Lots, except that dogs, cats or other household pets may be kept provided that they are not kept, bred or maintained for any commercial purposes.

Section 8. Signs. No advertising signs (except one of not more than five (5) square feet "for rent" or "for sale" sign per Lot), billboards, unsightly objects or nuisances shall be erected, placed or permitted to remain on any Lot, nor shall any Lot be used in any way or for any purpose which may endanger the health or unreasonably disturb the Owner of any residence or any resident of any Lot within the Property.

Section 9. Maintenance of Miscellaneous Areas. All clotheslines, basketball backboards, equipment, garbage cans, service yards, woodpiles or storage piles shall be kept screened by adequate planting or fencing so as to conceal them from yiew of neighboring residences and streets. All rubbish, trash or garbage shall be regularly removed from the premises, and shall not be allowed to accumulate thereon. All clotheslines shall be confined to patio areas.

Section 10. Maintenance of Lot. Maintenance, upkeep and repairs of the Lot and Living Unit located thereon shall be the sole responsibility of the Owner thereof and not in any manner the responsibility of the Board of Directors.

Section 11. Maintenance of Utilities. All utilities, fixtures and equipment installed within a Lot or Living Unit, commencing at a point where the utility lines, pipes, wires, conduits or systems enter the Lot or exterior walls of the Living Unit shall be maintained and kept in repair by the Owner thereof. An Owner shall do no act, nor allow any condition to exist which will adversely affect the other Lots or Living Units or their Owners.

Section 12. Antennae. Without prior written approval and the authorization of the Board of Directors, no exterior television or radio antennae, satellite dish or other similar device of any sort shall be placed, allowed or maintained upon any Lot, nor upon any structure situated upon the Lot.

Section 13. Commercial Enterprises. No manufacturing or commercial enterprises shall be conducted or maintained upon, in front of, or in connection with any Lots, nor shall said Lot or Lots in any way be used for other than strictly residential purposes.

Section 14. Unsightly Objects. Refuse piles or other unsightly objects or materials shall not be allowed to be placed or to remain upon the Lots or Common Area. The Association shall have the right to enter upon said Lots and remove such refuse piles or other unsightly objects or materials at the expense of the Owner and such entry shall not be deemed a tresspass upon due notice to Owner and failure of Owner to comply.

Section 15. Commercial Vehicles. No commercial type vehicles and no trucks shall be parked on any Common Area except while engaged in transport to or from a residence. For the purposes of this covenant, a 3/4-ton or smaller vehicle, commonly known as a pickup truck, shall not be deemed to be a commercial vehicle or truck.

Section 16. Nuisances. No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon which may be, or may become, an annoyance or nuisance to the neighborhood.

Section 17. Garbage and Refuse Disposal. No Lot or easement shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall be disposed of in a sanitary manner. All containers or other equipment for the storage or disposal of garbage and trash shall be kept in a clean, sanitary condition. The burning of trash in outside incinerators, barbeque pits or the like is prohibited, it being intended that all refuse, trash garbage and the like shall be hauled from the subdivision. Garbage cans are to be kept out of public view at all times.

Section 18. Removal of Trees. The removal of trees, shrubs and other improvements from the Common Area shall be prohibited.

Section 19. Motor Vehicles: No automobile, truck, camper, van, travel trailer, boat or any recreational or utility-type vehicle shall be permitted to be parked on the Common Area to include any street representing a part of the Property. This shall not prohibit any such automobile, truck, camper, van, travel trailer, boat or any other recreational or utility-type vehicle from being parked in a closed garage, driveway or rear yard area.

Section 20. Maintenance of Living Unit and Improvements. Repainting and maintenance of Living Units, garage, fence or other structure shall be in accordance with the scheme established for the entire area by the Association or its Architectural Control Committee.

Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years unless terminated by written instrument executed by seventy-five (75%) percent of the Owners and recorded in the McLennan County Deed Records as of the last day of the initial twenty (20) year period or any successive ten (10) year period. The covenants and restrictions of this Declaration may be amended by an instrument signed by not less than seventy-five (75%) percent of the Owners; provided, however, that if any amendments hereto shall be necessary in order to allow Declarant to convey Lots to purchasers who acquire such Lots by financing obtained through the Federal Housing Administration or the Veterans Administration and such amendments are not unreasonable, then the approval of the Members shall not be required for such amendments. Any amendment made must be properly recorded in the Deed Records of McLennan County, Texas.

Section 4. Law Controlling. This Declaration shall be construed and controlled by and under the laws of the State of Texas and all obligations contained herein shall be performable in Waco, McLennan County, Texas.

Section 5. Effective Date. This Declaration shall take effect when recorded.

IN WITNESS WHEREOF, the Declarant has executed this instrument this // day of /cfoker, 1985.

BHD CORPORATION

By: // / / / / / BILLY H. / DAVIS, President

THE STATE OF TEXAS *

COUNTY OF McLENNAN

This instrument was acknowledged before me on the day of CORPORATION, a Texas corporation, on behalf of said corporation.

Notary Public in and for

The State of Texas

My commission expires: 4-3-PP

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