

QUINLAN CREEK ESTATES TWO RESTRICTIONS

Volume 374, Page 42, Real Property Records of Kerr County, Texas; Volume 5, Page 112, Plat Records of Kerr County, Texas; (Add for Replat of Lots 10-12, Blk.5) Volume 5, Page 296, Plat Records of Kerr County, Texas, BUT OMITTING ANY COVENANT OR RESTRICTION BASED ON RACE, COLOR, RELIGION, SEX, HANDICAP, FAMILIAL STATUS, OR NATIONAL ORIGIN unless and only to the extent that said covenant (a) is exempt under Chapter 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons.

OTHER EXCEPTIONS

- Easement dated May 6, 1947 to L.C.R.A., recorded in Volume 82, Page 138, Deed Records of Kerr County, Texas.
- Easement dated August 1, 1950 to Lone Star Gas Company, recorded in Volume 1, Page 396, Easement Records of Kerr County, Texas.
- Easement to Lone Star Gas Company dated July 31, 1950, recorded in Volume 1, Page 397, Easement Records of Kerr County, Texas.
- Easements and Building Set Back Lines as per the Plat recorded in Volume 5, Page 112, Plat Records of Kerr County, Texas.
- Easements and Building Set Back Lines as per the Replat recorded in Volume 5, Page 296, Plat Records of Kerr County, Texas. (AS PER LOTS 10, 11 & 12, BLK 5 ONLY)
- Subject to townhouse, party wall provisions, covenants, conditions, restrictions, easements, charges and liens as set forth in that certain Declaration made on May 6, 1986, by Dedicator, recorded in Volume 374, Page 42, Real Property Records of Kerr County, Texas.
- Annual assessments and/or current maintenance charges as set forth in instrument dated May 6, 1986, recorded in Volume 374, Page 42, Real Property Records of Kerr County, Texas.
- Any visible and/or apparent roadways or easements over or across the subject property.
- Rights of Parties in Possession. (AS PER OWNER POLICY ONLY)

03776-A DECLARATION OF HOMEOWNERS ASSOCIATION
AND RESTRICTIONS

SUBMISSION STATEMENT

The undersigned, being the holder of title of record to the real property situated, lying and being in Kerr County, State of Texas, the legal description of which is attached hereto, and made a part hereof, and labelled "Exhibit A," hereby states and declares that in order to promote the orderly development, maintenance and living quality of the herein described property, that the following restrictions, reservations, and covenants shall apply uniformly to the occupancy, use and conveyance of all property herein described.

HOMEOWNERS ASSOCIATION

I. DEFINITIONS

1. "Association" means THE VILLAS HOMEOWNERS ASSOCIATION as created herein, same to be a non-incorporated Homeowners Association composed of the Unit owners of the Townhome property.
2. "Unit" means a lot of the Townhome property as platted of record in the plat records of Kerr County, Texas.
3. "Unit Owner" means the owner of a lot of the Townhome.
4. "Assessment" means a share of the funds required for the payment of shared expenses which from time to time are assessed against the unit owners by the Administrative Board of the Association.
5. "Mortgagee" means a Bank, a Federal and Savings Loan Association, a Savings and Loan Association, or such other party as may hold a mortgage on a unit or units.
6. "Developer" means 1ST PARAGON CONSTRUCTION, INC. a State of Texas corporation, qualified to do business in the State of Texas.
7. "Administrative Board" shall be the governing board of the Homeowners association, and same shall have the powers enumerated herein and in the By-laws.

II. NAME

The name by which this Townhome Project is to be identified

is: THE VILLAS TOWNHOME PROJECT.

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III. SHARED EXPENSES

A) Shared Maintenance Area:

That portion of Lots 1 through 12 inclusive, from the rear of each residence located on said lots to the back lot line of each lot shall be considered an area of Common Maintenance and Shared Expense. The Association shall provide for the common lawn maintenance of said area and other areas requiring lawn maintenance and shall assess each Unit owner that unit owners pro-rated share of the costs of such maintenance. Each Unit Owner shall have the right to provide for his own lawn maintenance (except for the area from the rear of each residence (foundation) to its back lot line), so long as such maintenance conforms to the general scheme and quality of maintenance being provided by the Association.

B) Party Walls:

Maintenance of all party walls shall be the responsibility of the Unit Owners upon whose boundary line said party wall is located. Such Unit Owners shall share equally in the maintenance cost of the party wall. If the party wall is damaged only on one side, then the owner of the unit on which side the damage is located shall alone be responsible for repair of same. Damage to the entire party wall shall be borne equally unless said damage was caused willfully or negligently. In such event the party causing such damage shall alone be responsible for repair.

IV. VOTING

Subject to the provisions and restrictions set forth in the By-Laws of the Association each Unit Owner is entitled to one vote for each unit owned by him.

V. METHOD OF AMENDMENT OF DECLARATION

This Declaration may be amended at any regular or special meeting of the unit owners by the affirmative vote of a majority of the Unit Owners. Such amendment shall be evidenced by a Certificate executed with the formalities of a Deed, and shall include the recording data identifying this Declaration, and said

Certificate shall be signed and acknowledged by the president and secretary of the Association. This Certificate shall become effective upon its being recorded in the Public Records of Kerr County, Texas.

No amendment shall change any unit, nor its right to use of the shared maintenance area, nor a Unit's proportionate share of pro-rated expenses or surplus, nor the voting rights pertinent to any unit, unless the record owners thereof and all record owners of liens thereon shall join in the execution of the amendment, and provided further that said amendment shall be voted on, and evidenced and recorded in the same manner as all other amendments to this Declaration.

No amendment shall change the provisions of this Declaration with respect to mortgagees without the written approval of all institutional mortgagees of record.

VI. BY-LAWS

The operation of the Townhome property shall be governed by By-Laws which are set forth in a document entitled "BY-LAWS OF THE VILLAS HOMEOWNERS ASSOCIATION", which are incorporated herein by reference. The By-Laws shall be amended in the same manner as this Declaration is amended.

VII. MISCELLANEOUS CONDITIONS, COVENANTS AND RESTRICTIONS

A. Assessments:

All assessments which may be made hereunder or under the By-laws shall be made on such basis as determined necessary by the Administrative Board, based upon an estimate made by the board of anticipated costs for the item being assessed. Such assessment shall be due 30 days from the date it is mailed to the Unit Owner. Any assessment not paid when due shall bear interest from the due date at the rate of twelve percent (12%) per annum.

B. Maintenance:

The Association Board may enter into a contract with any firm, person or corporation for the maintenance of the shared maintenance area.

C. Liens:

The Association shall have a lien on each unit for any unpaid assessments, and interest thereon, against the unit to which it is assessed. Said assessment, interest costs and reasonable attorneys fees for collection shall be a charge on the unit and shall be a continuing lien upon the property against which each assessment is made. The Association shall have the right to file such lien of record.

The assessment, together with all costs, shall also be the personal obligation of the person owning the unit at the time the assessment fell due. Such personal obligation shall not pass to successors in title unless expressly assumed.

The lien for assessments shall be subordinate to the lien of any first mortgage. Sale or transfer of a unit shall not affect the lien. Change of title due to foreclosure or proceeding in lieu of foreclosure shall extinguish only such assessments and liens which are due at the time of such title change, and shall not affect subsequent assessments or liens.

D. Occupancy and Use:

The Unit Owner, or owner of a unit, shall occupy and use his unit as a private dwelling for himself and the adult members of his family and social guests, and the following covenants and restrictions shall apply: 1) The Unit Owner shall not permit or suffer anything to be done or kept in his unit which will increase the rate of insurance on the property. 2) No Unit Owner will obstruct or interfere with the rights of other Unit Owners or annoy them by unreasonable noises or otherwise. 3) No Unit Owner will commit or permit any nuisance, immoral or illegal act in or about the Townhome property. 4) No animals, livestock or poultry of any kind shall be raised, bred or kept on any lot, except that dogs, cats or other household pets may be kept, provided that they are not kept, bred or maintained for commercial purposes and does not constitute a nuisance or interfere with the quiet enjoyment of the premises by the other Townhome Unit Owners. 5) No clotheslines or similar devices

shall be allowed on any portion of the Townhome property. 6) No Unit shall be used as a dumping ground for rubbish and trash. Garbage and other waste shall not be kept except in sanitary containers. 7) No oil drilling, oil development operations, oil refining, quarrying or mineral mining operations of any kind shall be permitted upon or in any lot, nor shall any wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any lot. No derrick or other structure to be used in boring for oil or natural gas wells shall be erected, constructed, placed or permitted upon any lot. 8) No activity, whether for profit or not, which is not related to a residential purpose, shall be conducted on any unit. 9) No sign of any kind shall be displayed to public view on any unit except one sign not more than twenty (20) square feet advertising the property for sale or rent, or signs used by the builder to advertise the property during the construction and sales period. 10) No structure of temporary character shall be placed on any unit. No mobile or manufactured home shall be placed on any unit. No motor home, trailer, boat or other vehicle used for recreational purposes shall be placed on any unit unless it is stored in the interior of the residence located on the Unit. 11) No fences shall be placed on the property except that a fence which is approved by the Administrative Board of the Association may be placed on the exterior unit lines of units one (1) and twelve (12). 12) All units at all times shall be kept in a sanitary, healthful and attractive manner. 13) The lower patios of each unit shall be maintained in a neat and orderly fashion by the owner so as to provide a pleasing appearance to all areas lying in the easement in common area that exits from 20 feet behind the rear of each residence (foundation) to the rear lot line of each lot. 14) The restrictions found in this Subsection D shall be deemed to run with the land and shall be binding on all parties and all persons claiming under them for a period of twenty (20) years from the date of recording of this instrument, after which

time these covenants shall be automatically extended for successive periods of ten (10) years each, unless an instrument signed by the then owners of a majority of the units has been recorded changing these covenants. This Subsection D may only be amended as herein stated.

The area of shared maintenance that lies to the rear of each residence (foundation) and runs to the rear lot line of each lot, although owned individually by Unit Owners, shall nevertheless be an area of common access to all Unit Owners. An easement in common is hereby granted to the Unit Owners of lots 1 through 12 said easement to begin at the rear of each residence (foundation) and to run to the rear lot line of each lot for the purpose of the common enjoyment and use of all Unit Owners. Said easement shall run with the land.

E. Mortgaged Units:

Should any unit at any time become subject to an institutional mortgage, the holder of said mortgage upon becoming the owner of the unit through whatever means, shall have the unqualified right to sell, lease or otherwise dispose of said unit, including the fee ownership thereof, provided, however, that the provisions of this document shall be applicable thereto; and provided, further, that nothing herein contained shall be deemed to allow or cause a severance of the unit from the obligations or rights herein contained.

F. Developer's Units and Privileges:

The Developer is irrevocably empowered to sell, lease or rent units to any purchaser approved by it. The said Developer shall have the right to transact any business necessary to consummate sales of units, including but not limited to the right to maintain models, have signs, employees in the offices, and use the common maintenance area. Sales office, signs and all items pertaining to sales remain the property of the Developer. In the event there are unsold units, Developer retains the right to be the owner of unsold units under the same terms and conditions as all other unit owners in the Townhome project and Developer, as a

Unit Owner, shall contribute to the common expenses in the same manner as other Unit Owners, provided, however, if the Developer retains any of said units, it may rent them on any basis.

G. Insurance:

The insurance which shall be carried upon the units shall be governed by the following provisions:

1. Authority to Purchase - All insurance policies upon the unit property may be purchased by the Association for the benefit of the Unit Owners and their mortgagees, as their interest may appear, and provisions shall be made for the issuance of Certificates of Mortgagee Endorsements to the Mortgagees of Units. Such policies and endorsements shall be held by the Association. Unit Owners may obtain insurance coverage at their own expense upon their personal property, and for their personal liability and living expense. In the event the Association does not purchase casualty and public liability insurance, each unit owner shall be responsible for obtaining such coverage in the amounts prescribed hereunder. Failure to do so will allow the Association to carry such insurance and assess the unit owner for the full cost thereof.

2. Coverage -

a. Casualty - All buildings and improvements on the Townhome property shall be insured in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, as determined annually by the Administrative Board of the Association. Such coverage shall afford protection against:

1) Loss or damage by fire and other hazards covered by a standard extended-coverage endorsement;

2) Such other risk as from time to time shall be customarily covered with respect to buildings similar in construction, location, and use, including, but not limited to, vandalism and malicious mischief.

b. Public Liability - In such amounts and with such

coverage as shall be required by the Administrative Board of the Association may direct, with cross-liability endorsements to cover liability of the Unit Owners as a group to a Unit Owner.

c. Individual Liability - Each individual Unit Owner shall be responsible for the purchasing of liability insurance for accidents occurring in his own unit. The owner of a unit shall have no personal liability for any damages caused by the Association, or in connection with the use of the shared maintenance area. A Unit Owner shall be liable for injuries or damages resulting from an accident in his own unit to the same extent and degree that the owner of a house would be liable for an accident occurring within the house.

3. Loss Payable - All casualty insurance policies purchased shall provide that all proceeds covering casualty losses shall be paid jointly to the Association, the Unit Owner of the unit or units on which a loss occurs and any mortgagee of the unit or units.

4. Mandatory Repair - Unless there occurs substantial damage to or destruction of all or a substantial part of the Townhome property, as hereinafter defined, and subject to the provisions hereinafter provided, the Association and the Unit Owners shall repair, replace and rebuild the damage caused by casualty loss, and pay the costs of the same in full. The Association insurance proceeds shall be used for such repairs or replacement and shall levy assessments in the event insurance proceeds are insufficient for the purpose of repairing, replacing and rebuilding the damage caused by casualty loss.

5. Determination of Damage and Use of Proceeds:

a. Immediately after a casualty causing damage to any part of the Townhome property, the Administrative Board shall obtain reliable and detailed estimates of the cost necessary to repair and replace the damaged property to a condition as good as the condition that existed prior to the casualty loss; provided, however, that if a casualty causing damage is limited to a single unit, then it shall be the responsibility of that Unit Owner to

obtain estimates of the cost of replacement as aforesaid. If the net proceeds of insurance are insufficient to pay the estimated cost of reconstruction and repair, the Administrative Board shall promptly, upon determination of deficiency, levy a special assessment against individual Unit Owners for that portion of the deficiency related to individual damaged units; provided, however, that if, in the opinion of the Administrative Board, it is impossible to accurately and adequately determine the portion of the deficiency relating to individual damaged units, the Administrative Board shall prorate the deficiency and levy the special assessment against each of the Unit Owners.

b. Unless there occurs substantial damage to or destruction of all or a substantial portion of the Townhome Project property, and the Unit Owners elect not to rebuild and repair, as provided in Paragraph 6 below, the Association shall use the proceeds from the insurance to repair and replace any damage or destruction of property, and shall pay any balance remaining to the proper Unit Owners and their mortgagees, as their interests may appear.

6. Total Destruction: As used in this Declaration, and in any other connection or context dealing with this Townhome Project the term "substantial damage to or destruction of all or a substantial portion of the Townhome Project property" shall mean that three-fourths (3/4) or more of the improvements on the units are rendered untenable by casualty loss or damage. Should there occur substantial damage to or destruction of all or a substantial part of the Townhome Project property, the project shall not be reconstructed, unless three-fourths (3/4) of the Unit Owners agree thereto, in writing, within sixty (60) days after the casualty loss or damage occurs. It is understood and agreed that in the event a mortgagee should require the payment of the proceeds to it, that sum shall be paid to the said mortgagee, and the Unit Owner shall then be obliged to deposit the funds necessary for his unit towards his share of the

rebuilding costs. In the event such reconstruction is not approved, as aforesaid, the Association is authorized to pay proceeds of the insurance to the Unit Owners and their mortgagees, as their interest may appear. The determination not to reconstruct after casualty shall be evidenced by a certificate, signed by one of the officers of the Association, stating that the said sixty (60) day period has elapsed, and that the Association has not received the necessary writings from three-fourths (3/4).

7. Association as Agent: The Association is hereby irrevocably appointed Agent for each Unit Owner to adjust all claims arising under casualty and public liability insurance policies.

H. Alterations:

There shall be no material alterations, door or color changes, enclosing of balconies, except as authorized by the Administrative Board. No Unit Owner shall block, hamper, or otherwise interfere with the use of the shared maintenance area by all Unit Owners.

I. Owners:

1. That no owner of a unit may exempt himself from liability for his contribution towards the shared expenses by waiver of the use and enjoyment of any of the shared maintenance area, or by the abandonment of his Unit.

2. The owners of each and every unit shall return the same for the purpose of ad valorem taxes with the Tax Assessor of Kerr County, Texas, or such other future legally authorized governmental officer or authority having jurisdiction over the same.

J. Severability:

If any provision of this Declaration, or of the By-Laws of the Association is held invalid, the validity of the remainder of this Declaration or of the By-Laws shall not be affected thereby.

K. Incorporation:

The Association may incorporate as a Texas non-profit

association at such time as three-fourths (3/4) of the Unit Owners shall vote to do same.

L. Titles:

Article and paragraph titles inserted throughout this Declaration are intended only as a matter of convenience and for reference, and in no way define, limit, or in any way affect this Declaration.

M. Notices:

Whenever notices are required to be sent hereunder, the same shall be sent to the Unit Owners by Certified Mail, at their place of residence, and to the Association, by Certified Mail at the resident address of the president of the Administrative Board.

All notices shall be deemed and considered sent when mailed. Any party may reserve the right to change the place of notice to him, or it, by written notice, in accordance with the terms and provisions of this paragraph.

IN WITNESS WHEREOF, the undersigned have executed this Declaration of Homeowners Association and Restrictions this 6th day of May, 1986.

1ST PARAGON CONSTRUCTION, INC.

By: PAT D. COOPER
PAT D. COOPER President

Attest: GARY E. KERSEY
GARY E. KERSEY Secretary

STATE OF TEXAS

COUNTY OF Kerr

This instrument was acknowledged before me on the 6th day of May, 1986, by PAT D. COOPER, President, of 1ST PARAGON CONSTRUCTION, INC., a Texas Corporation, on behalf of said corporation.



Russell Berton
Notary Public, State of Texas
My Commission Expires: 6-2-87
Russell Berton
Notary's Printed Name

CONSENT OF MORTGAGEE:

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HEART O' TEXAS SAVINGS ASSOCIATION

James F. Farley
By: James F. Farley
Executive Vice President

STATE OF TEXAS

COUNTY OF San Saba

This instrument was acknowledged before me on the 7th day
of May, 19 86, by James F. Farley,
Executive Vice President
of HEART O' TEXAS SAVINGS
ASSOCIATION, a Texas Corporation, on behalf of said corporation.



Clovia Ketchum
Notary Public, State of Texas
My Commission Expires: 9-30-88
Clovia Ketchum
Notary's Printed Name

FILED FOR RECORD

at 1:38 o'clock P.M.

MAY 9 1986

PATRICIA DYE

Clerk County Court, Kerr County, Texas

By *Deborah C. Henderson* Deputy

Return to:

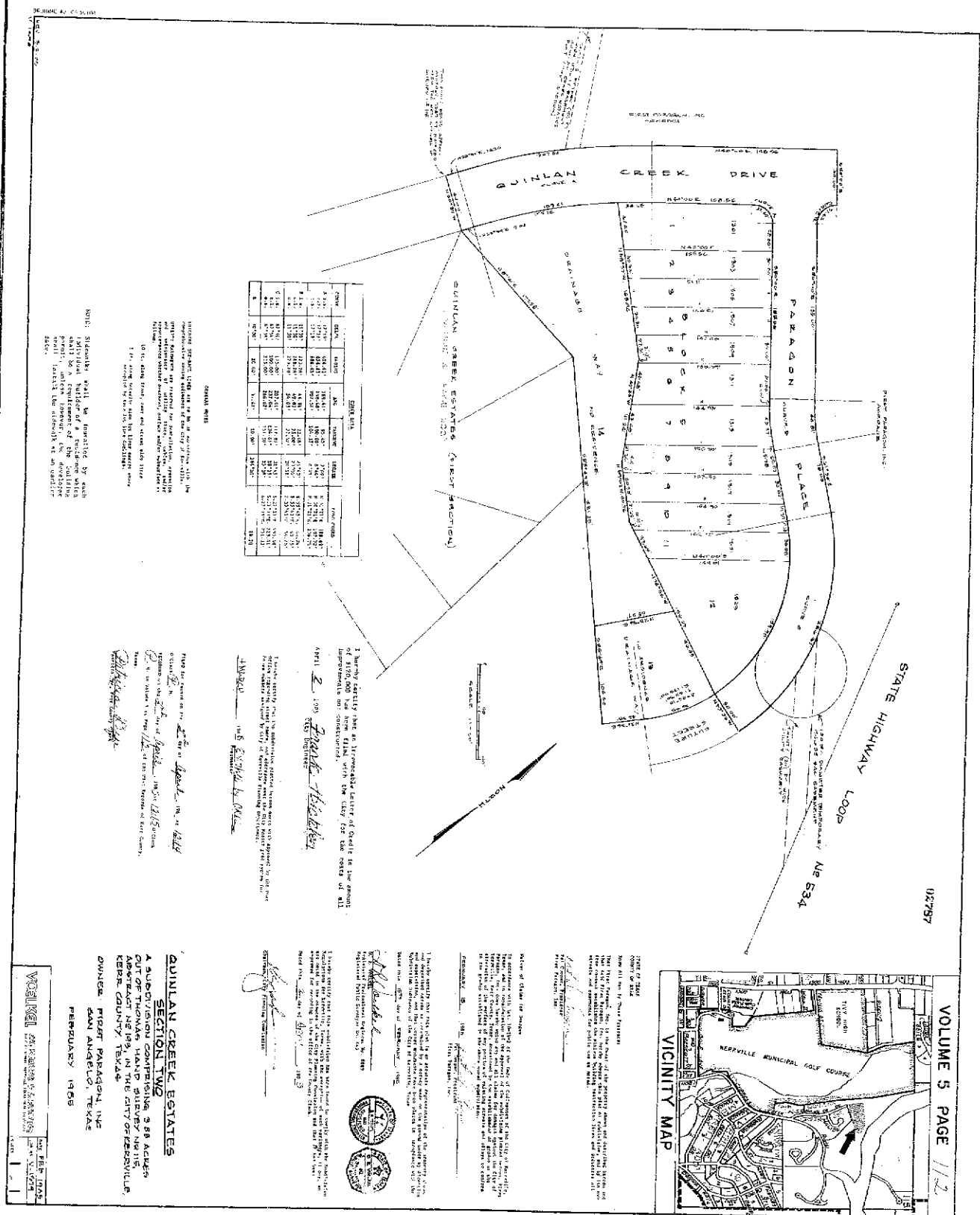
Doug Knapp

317 East Barnett

Kennett, TX 78028

Filed by: -
KERR COUNTY ABSTRACT CO., INC.

Filed for record May 9, 1986 at 1:38 o'clock P.M.
Recorded May 19, 1986
PATRICIA DYE, Clerk By *Doris J. Henderson* Deputy



GENERAL NOTES

BUILDING SET-BACK LINES are to be in accordance with the comprehensive zoning ordinance of the City of Knoxville.

UTILITY EASEMENTS are reserved for installation, operation and maintenance of utility lines, cables, and/or appurtenances whether overhead, surface and/or subsurface as follows.

10 ft. along front, rear and street side lines

5 ft. along interior side lot lines except where occupied by zero lot line dwellings.

NOTE: Sidewalks shall be installed by each individual builder of a residence which shall be a requirement of the building permit, unless however, the developer shall install the sidewalk at an earlier date.

PTL

OIC

REC

Pat

Tax

Pat