

**DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS FOR
HILLTOP ESTATES**

THE STATE OF TEXAS

COUNTY OF DALLAS

THIS DECLARATION is made on the date hereinafter set forth by Hilltop Redevelopment Associates, Ltd. hereinafter referred to as "Declarant".

WHEREAS, Declarant is the owner of certain property in the Hilltop Estates Addition to the City of Balch Springs, County of Dallas, State of Texas being more specifically described on Exhibit "A" attached hereto and fully incorporated herein by reference (the "Property"); and,

WHEREAS, Declarant desires to subject the Property, together with additional land as may hereinafter be made subject hereto, to the assessments, covenants, easements, reservations, and restrictions hereinafter set forth (the "C,C & R's"), for the benefit of the Property and each Owner (hereinafter defined); and,

WHEREAS, concurrently herewith there will be incorporated Hilltop Homeowner's Association, Inc., a non-profit corporation to be created under the laws of the State of Texas (the "Association"), whose directors will establish bylaws, by which said Association shall be governed for the purpose of administering and enforcing the C,C & R's; and,

WHEREAS, certain lands, adjoining the Property in the City of Balch Springs, County of Dallas, State of Texas being more specifically described on Exhibit "B" attached hereto and fully incorporated by reference (the "Common Area"), are not owned by Declarant but are concurrently herewith being conveyed to the Association for the use of the residents of the Property and upon the occurrence of such conveyance, shall be subject to the C,C & R's.

NOW THEREFORE, Declarant hereby declares that the Property shall be sold, used and enjoyed in accordance with and subject to the following assessments, conditions, covenants, easements, reservations and restrictions hereinafter set forth, all of which

are hereby adopted for and placed upon said Property and shall be covenants running with the Property and be binding on all parties, now and at any time hereinafter, having or claiming to have any right title or interest in the Property or any part thereof, their heirs, executors, administrators, successors or assigns, regardless of the source of, or manner in which any such right, title, or interest is or may be acquired, and shall inure to the benefit of each holder of record of a fee simple title to the surface estate of any plot of land shown upon any recorded subdivision map of the Property, excluding the Common Areas (hereinafter defined), such holder being described hereinafter as the "Owner" and such plot of land being described hereinafter as a "Lot".

ARTICLE I PROPERTY

Section 1. PROPERTY. The real property covered by this Declaration is described on Exhibit "A" attached hereto and incorporated herein by reference for all purposes. The Property shall be owned, held, leased, transferred, sold, occupied, mortgaged, encumbered and/or conveyed by Declarant and any subsequent Owner of all or any part thereof, subject to this Declaration and the C,C,& R's set forth herein.

Section 2. COMMON AREA PROPERTY. Declarant shall cause other parties to convey to the Association, the Common Area. Such conveyance, shall automatically extend the scheme of C,C & R's to the Common Area as set forth in this Declaration. Prior to December 31, 1993, Declarant shall or shall cause other parties to (i) make improvements to the Common Area which, in its sole discretion, are necessary and reasonable to make the Common Area attractive and usable to the Association, (ii) be responsible for all maintenance, taxes, insurance or any other costs related to the ownership of the Common Area and (iii) allow Owners to use the Common Area as if it were owned by the Association. After December 31, 1993, all such costs and expenses shall be the responsibility of the Association.

ARTICLE II MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. MEMBERSHIP. Each and every Owner of a Lot shall automatically become and must remain a "Member" in good standing of the Association. Membership in the Association shall be appurtenant to and may not be separated from ownership of a Lot. Any transfer of fee simple title to a Lot shall operate automatically to transfer membership in the Association to the new Owner thereof.

Section 2. CLASSES OF VOTING MEMBERS. The Association shall

have two classes of voting membership:

CLASS A Class A Members shall be all Owners with the exception of the Declarant and shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in a Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves agree, but in no event shall more than one vote be cast with respect to any Lot.

CLASS B Class B Members shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership upon the happening of either of the following, whichever occurs earlier (the "Conversion Date"):

(a) when the total votes outstanding in the Class A membership equal twice the total votes in the Class B membership or;

(b) on June 30, 2022.

Section 3. VOTING, QUORUM AND NOTICE REQUIREMENTS. Except as set forth hereinafter, the vote of a majority of the votes entitled to be cast by the Members present, or represented by legitimate proxy, at a legally constituted meeting at which a quorum is present, shall be the act of the Members present at the meeting. The number of votes present at a meeting that will constitute a quorum and the notice requirements for all meetings of the Association shall be as set forth in the bylaws of the Association.

ARTICLE III COVENANTS FOR ASSESSMENTS

Section 1. CREATION OF LIEN. Declarant, for each Lot within the Property, hereby covenants, and each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association annual and special assessments as hereinafter provided. The annual and special 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 Property against which each assessment is made.

Section 2. PURPOSE OF ASSESSMENTS. The assessment levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the Property and for the improvements and maintenance of the Common Area.

Section 3. ANNUAL ASSESSMENT. The Association, acting through

its Board of Directors shall determine the amount of the annual assessment. The maximum annual assessment shall be \$120 per Lot. The annual assessment shall be collected on a monthly basis and shall be due and payable on the first day of each month. The maximum annual assessment may be increased provided that such increase shall have the assent of 75% of the total eligible votes of the Association.

Section 4. SPECIAL ASSESSMENTS. The Association may levy special assessments for capital improvements to the Common Area provided that any such assessment shall have the assent of 75% of the total eligible votes of the Association.

Section 5. COMMENCEMENT OF ANNUAL ASSESSMENTS. Annual assessments shall commence on January 1, 1994.

Section 6. NONPAYMENT OF ASSESSMENTS. Any assessments not paid within thirty (30) days of the due date shall bear interest at the lesser of 18% per annum, or the highest lawful rate, until paid.

Section 7. SUBORDINATION OF THE LIEN TO MORTGAGES. The lien of assessments provided for herein shall be subordinate to the lien of any first or second mortgage. The transfer of a Lot pursuant to mortgage foreclosure shall extinguish the lien of such assessments as to payments which became due prior to such transfer.

Section 8. FAILURE TO COLLECT ASSESSMENTS. In the event the Association fails to collect assessments and , because of such failure, the purposes of Section 2 above are not accomplished, then, after due notice and hearing, the City of Balch Springs shall be permitted to collect the assessments called for herein and to accomplish said purposes in the stead of the Association. The foregoing shall not give the City of Balch Springs the right to levy assessments or to use monies collected for any purpose not identified herein. When acting in the stead of the Association, the City of Balch Springs shall be bound by all of the terms and provisions of this Declaration.

ARTICLE IV DUTIES OF THE ASSOCIATION

Section 1. BOARD OF DIRECTORS. The affairs of the Association shall be conducted by a Board of Directors, to be established upon the formation of the Association, which shall conduct the regular and special meetings of the Association in accordance with its bylaws. Until the Conversion Date, Declarant shall be permitted to control the Association and its Board of Directors and to manage the Property in Declarant's sole discretion.

Section 2. DUTY AND POWERS OF THE ASSOCIATION. The

Association shall have the duties and powers granted to it by its articles of incorporation and this Declaration, and without limiting the generality thereof, the duty to operate, maintain, or otherwise manage the Common Area and enforce the Protective Covenants set forth herein and shall have the powers reasonably necessarily required to carry out those duties.

Section 3. ARCHITECTURAL CONTROL COMMITTEE. The Association shall have an Architectural Control Committee which shall consist of two or more members. Declarant shall have the exclusive power and authority to appoint and remove members from the committee until the Conversion Date or until such time as Declarant shall assign, in writing, this power to the Association. Thereafter, the Association may appoint and remove members from the committee. No homes, buildings, fences or walls shall be erected, placed or altered without the approval of the Architectural Control Committee. Persons desiring to construct or alter homes, buildings, fences or walls shall submit the plans and specifications to the committee for approval. If within thirty (30) days of submittal of plans and specifications, the committee has not approved or disapproved such plans and specifications in writing, or, in any event, if no suit to enjoin the construction has been commenced prior to completion thereof, approval will not be required and the related covenants shall be deemed to have been complied with.

ARTICLE V PROTECTIVE COVENANTS

Section 1. USES, RESTRICTIONS AND EASEMENTS.

(a) PERMITTED USES. Lots in Hilltop Estates shall be known, described and used as single-family residences only.

(b) PROHIBITED USES. No land shall be used and no building shall be erected or converted for any use other than as specified pursuant to zoning ordinances, rules and regulations promulgated by the City of Balch Springs. The following uses are also prohibited within the Property:

1. Any illegal, noxious or offensive activity of any kind and nothing may be done thereon which may be or become to be an annoyance or nuisance in the neighborhood.
2. Any use which is offensive by reason of odor, fumes, vibrations, dust, smoke, radiation, noise, or pollution or that is hazardous by reason of excessive danger of fire or explosion.
3. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lots except common household pets that are not kept, bred or maintained for commercial purposes.

4. No open or exterior storage of goods or materials.
5. No storage of oil, gasoline or other flammable liquid in bulk of more than ten (10) gallons gross capacity in a U.L. approved container.
6. No overnight parking of large trucks (one and one-half ton or larger) and no parking of any motor vehicles in obvious disrepair.
7. No Lot shall be used as dumping grounds for rubbish of any kind and all trash shall be kept in sanitary containers.

Section 2. BUILDING REQUIREMENTS. The following restrictions shall apply only to the extent that they do not conflict with the rules, codes, regulations and ordinances of the City of Balch Springs:

1. The minimum floor area of the main dwelling shall not be less than one thousand two hundred fifty (1,250) square feet.
2. A minimum of seventy-five percent (75%) of exterior wall areas, exclusive of openings, shall be constructed of brick.
3. Each dwelling constructed shall have an attached garage suitable for parking two standard sized automobiles.
4. All driveways shall be surfaced with four (4) inch thick concrete.
5. All sidewalks shall be constructed in accordance with the requirements of the City of Balch Springs.

ARTICLE VI MAINTENANCE

Section 1. MAINTENANCE. All Owners and occupants of any Lot shall have the responsibility, at their sole cost and expense, to keep that part of the Property so owned or occupied, including drainage easements and other rights of way, in a well maintained and attractive condition at all times.

STATE OF TEXAS

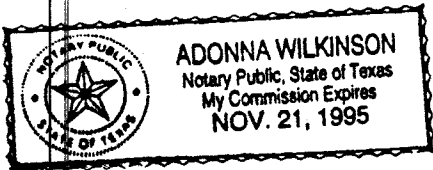
COUNTY OF DALLAS

This instrument was acknowledged before me on this the 30th day of June, 1992 by Arthur L Ruff whose title is _____ of NLD Redevelopment Corp.

Adonna Wilkenson

Notary Public in and for the State of Texas

Name: _____



My Commission expires _____

For and in consideration of the sum of \$10.00 and other good and valuable consideration paid to the Association, the receipt and sufficiency of which are hereby acknowledged and confessed, and in further consideration for the Declarant causing other parties to convey to the Association the Common Area, the Association hereby acknowledges and agrees to the provisions of this Declaration, including, without limitation, the provisions of Article I, Section 2, and subjects the Common Area to the scheme of C, C & R's as set forth in this Declaration.

HILLTOP HOMEOWNERS' ASSOCIATION, INC.

By: Will Ruff
Its: PRESIDENT

STATE OF TEXAS

COUNTY OF DALLAS

This instrument was acknowledged before me on this the 30th day of JUNE, 1992 by William Rogers the President of Hilltop Homeowners' Association, Inc.

Kristan I Gentry

Notary Public in and for the State of Texas

Name: Kristan I. Gentry

My Commission expires _____

