



2-473

Phase II

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

STATE OF TEXAS §
 §
COUNTY OF KAUFMAN §

RECITALS

WHEREAS, JOE E. McSPADDEN and KAREN R. McSPADDEN ("Developer"), of Mesquite, Dallas County, Texas, being the owner of the property platted as Grandview Estates, Phase II, an Addition to Kaufman County, Texas, (which lots are more particularly described within **Exhibit "A"** attached hereto), does hereby restrict the use of said property and impose the following restrictions upon said property hereinafter set forth.

WHEREAS, the Developer is developing the property to sell such Lots to persons who will construct thereon single-family residences:

WHEREAS, the Developer will convey the above described properties, subject to certain protective covenants, conditions, restrictions, easements, liens, and charges as hereinafter set forth:

WHEREAS, the purpose of these restrictive covenants is to assure the orderly and uniform development of this property, and to carry out a general plan of development for the benefit of each and every purchaser of a Lot in this Addition, to preserve and maintain the natural beauty of the Lots and Common Areas to the extent possible and to preserve the view and aesthetic appeal of each site in Grandview Estates.

WHEREAS, the Grandview Estates Homeowners Association (the "Association") has been or will be chartered as a non-profit Texas corporation to assist in the ownership, management, use and care of the various Common Areas within Grandview Estates Subdivision and to assist in the administration and enforcement of this Declaration.

NOW, THEREFORE, it is hereby declared that each contract or deed which may hereafter be executed with regard to any of the Lots in Grandview Estates Phase II shall be conclusively held to have been executed, delivered, and accepted subject to the following protective covenants, conditions, restrictions, easements, liens and charges, regardless of whether or not said protective covenants, conditions, restrictions, easements, liens and charges are set out in full in said contract or deed. These covenants, conditions and restrictions shall run with the real property, and shall bind all parties having any right, title, or interest in the described properties or any part thereof, their heirs, successors, and assigns, and shall inure to the benefit of each Owner thereof.

ARTICLE I

DEFINITIONS

"**ARC**" shall mean and refer to the "Architectural Review Committee" a particular committee which is described in ARTICLE III below.

"**Assessments**" shall mean and refer to the annual Association dues levied pursuant to Article VII hereof for managing, maintaining, and operating the Common Areas, for enforcing this Declaration, and for other purposes of the Association as set out in its Articles of Incorporation, Bylaws, and this Declaration.

"**Association**" shall mean and refer to Grandview Estates Homeowners Association, Inc., a non-profit corporation created or to be created under the laws of the State of Texas. Membership in the Association shall be regulated according to the Articles of Incorporation, Bylaws and other governing documents of the corporation.

"**Board**" shall mean and refer to the Board of Directors of the Association.

"**Bylaws**" shall mean and refer to the Bylaws of the Association, as adopted and amended from time to time in accordance with the provisions of the Texas Non-profit Corporation Act and this Declaration.

"**Common Areas**" shall mean and refer to all property owned by the Association for the common use and benefit of the Owners.

“Declarant” shall mean and refer to JOE E. McSPADDEN and KAREN R. McSPADDEN, and their successors and assigns and shall include any person or entity to which Declarant may assign its rights and privileges, duties, and obligations hereunder, which are and shall be assignable.

“Declaration” shall mean and refer to this Declaration of Covenants Conditions and Restrictions for Grandview Estates, Phase II.

“Deed Restrictions” shall mean and refer to the restrictions, covenants and conditions contained herein.

“Dwelling Unit” shall mean and refer to any building or portion of a building situated upon the Properties which is designed and intended for use and occupancy as a residence by a single person, a couple, a family or a permitted family size group of persons.

“Lot” shall mean and refer to any numbered Lot as per the Subdivision map or plat of Grandview Estates Phase II.

“Members” shall mean and refer to each Resident who is in good standing with the Association and who has filed a proper statement of residency with the Association and who has complied with all directives and requirements of the Association. Each and every Owner shall take such affirmative steps as are necessary to become and remain a Member of, and in good standing in, the Association. Each and every Resident (who is not otherwise an Owner) may, but is not required to, be a Member of the Association.

“Occupant” shall mean and refer to those presently residing and occupying the residence on a lot.

“Owner” shall mean and refer to the Owner of record, whether one or more persons or entities of the fee simple title to any Lot or portion of a Lot on which there is or will be built a detached single family dwelling, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

“Properties” shall mean and refer to: (i) the land described within Exhibit “A” attached hereto; and (ii) any other land hereafter expressly made subject to these Covenants by Declarant.

“Residents” shall mean and refer to:

- (a) each Owner;
- (b) each person residing on any Lot who is a bona-fide lessee pursuant to a written lease agreement with an Owner; and
- (c) each individual lawfully residing in a Dwelling Unit other than on Owner or bona-fide lessee.

"Subdivision" shall mean and refer to Lots 15-82 Grandview Estates Phase II, a subdivision of certain land as described within **Exhibit "A"** attached hereto in accordance with the map and plat thereof filed of record in the Map and Plat Records of Kaufman County, Texas, as well as any and all revisions, modifications, corrections or clarifications thereto.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION

Existing Property. The residential Lots (15-82) which are platted and filed in Kaufman County as a part of Grandview Estates Phase II Subdivision.

Additions to Existing Property. The Declarant, its successors and assigns, shall have the right and option at any time prior to December 31, 2017, to bring within the scheme of this Declaration additional real property if such property is contiguous to the real property subject to this Declaration at the time of such addition, without the consent or approval of Owners of any Lots, or the Association, as long as such additions are consented to by the Owners of such additional properties. Furthermore, other real property may be made subject to the terms of the Declaration at any time with consent of the Declarant, the owners of such additional real property and two-thirds (2/3rds) of each class of Members of the Association. Declarant shall record a Notice of Addition of Land describing the properties to be made subject to the terms of this Declaration, if and when additional properties are brought within the scheme of the Declaration in accordance with the requirements set forth above . With respect to such properties, Declarant may, without the consent or approval of Owners of any Lots, or then Association, record Supplemental Declarations which may incorporate this Declaration therein by reference, and which may supplement or modify this Declaration with such additional covenants, restrictions and conditions which may be appropriate for such properties. Upon recordation of such Notice of Addition of Land and the filing of a Supplemental Declaration, if any containing restrictive covenants pursuant thereto, then and thereafter the Owners of all Lots in the Subdivision shall have the rights, privileges and obligations with respect to all of the Property in the Subdivision (including such additional properties) in accordance with the provisions of, and to the extent set forth in, this Declaration and each Supplemental Declaration.

ARTICLE III

ARCHITECTURAL REVIEW COMMITTEE

The Architectural Review Committee (ARC) shall be composed of three (3) members consisting of one (1) Declarant (during the development period) and two (2) individuals selected and appointed by the Declarant. Each individual shall be generally familiar with residential and community design matters and knowledgeable about the Declarant's concern for a consistent approach to and construction of improvements within the Grandview Subdivision. In the event of the death, incapacity, resignation, or termination by Declarant of any member of the ARC, the Declarant (during the development period) shall have full authority to designate and appoint a successor. From and after the conclusion of the development period, or earlier at the Declarant's discretion, the ARC members shall be appointed or replaced by three (3) Lot Owners who are Members in good standing. To elect or remove members of the ARC after the development period, or earlier at the Declarant's discretion, the Board shall call a meeting for the Members to cast their votes. These elected ARC members shall serve for terms specified by the Board. The Members representing fifty (50) percent of the Lots in the Subdivision shall constitute a quorum.

The ARC shall be authorized and empowered to consider, review, approve, or reject any aspects of construction and location of improvements on any Lot, and to interpret and enforce any and all standards set forth within this Declaration. The ARC shall have the power to grant variances, waivers, tolerances or modifications of the standards set forth within the Covenants under circumstances and conditions deemed reasonable, appropriate and prudent by the ARC. Matters of "quality", "adequacy", and "propriety" are to be considered by the ARC generally from an aesthetic standpoint, rather than from an engineering standpoint. Plans and specifications are not reviewed or approved for engineering or structural design or technical quality of materials, and by approving such plans and specifications neither the ARC, nor the members thereof, assumes liability or responsibility therefore, nor for any defect in any structure constructed from such plans and specifications.

ARTICLE IV

USE RESTRICTIONS, CONDITIONS, AND PROTECTIVE COVENANTS

The Subdivision (and each Lot situated therein) shall be constructed, developed, occupied and used as follows:

1. No Lot shall be used except for residential purposes. No structure shall be erected, placed, altered, used for, or permitted to remain on any Lot other than one detached single-family private dwelling (hereinafter referred to as "Main Dwelling Unit") not to exceed two (2) stories that shall have a private attached garage for three (3) or four (4) automobiles and no more than a total of two (2) necessary or desirable Auxiliary Buildings (i.e. detached garage, servant's house, pool house, etc.). Mobile Homes and Modular Homes are strictly prohibited. No trade or business of any kind (other than the development of the Subdivision, the sale of Lots and the building and sale of Main Dwelling Units and their Auxiliary Buildings) shall be conducted upon the Property or any part thereof.

2. On all Lots the ground floor area of the Main Dwelling Unit, exclusive of open or screened porches, patios, stoops, terraces, or garages, shall contain no less than 2,700 square feet in the case of a one-story structure, and not less than 2,000 square feet in the case of a one and one-half or two story structure. The total floor area (ground floor plus second floor) of each and every Main Dwelling Unit shall be not less than 2,700 square feet. Carports, either attached to a Main Dwelling Unit or Auxiliary Building, or detached, are prohibited on any Lot.

3. On all Lots the overall width (under roof) of the Main Dwelling Unit shall be a minimum of seventy- five (75) feet unless otherwise approved in writing by the ARC.

4. The exterior construction of each Main Dwelling Unit and any Auxiliary Building shall be of 80% brick or stone (or combination brick and stone), or other masonry materials, provided such other materials are approved in writing by the ARC. Roofs on all Main Dwelling Units and any Auxiliary Buildings shall be a minimum of 8/12 pitch. All roofs shall be constructed of 25 year or greater fireproof material and be slate, clay, composition shingle, concrete tile, or such other material as approved in writing by the ARC. Wood shingles are prohibited.

5. All fireplace chimney exteriors (excluding caps) shall be 100% brick or stone (or combination brick and stone). No other masonry materials shall be used in place of brick and/or stone unless approved in writing by the ARC.

6. On all Main Dwelling Units no garage vehicular entrance shall face any street which the Main Dwelling Unit on that Lot faces. On all Main Dwelling Units located on a corner lot, no garage vehicular entrance shall face any side street without written permission of the ARC. The direction that any garage vehicular entrance faces must be approved in writing by the ARC. All garage interior walls and ceilings shall be taped, bedded, textured, and painted or finished out in a manner approved in writing by the ARC.

7. No Structures shall be erected, placed, or altered on any Lot until two (2) complete sets of building plans, specifications, and plot plans showing the construction and location of the same has been provided to and approved in writing by the ARC as to compliance to these protective covenants, quality of workmanship and materials, harmony of external design with existing structures, and as to location of the same with respect to topography and finish grade elevation.

8. Construction of new Structures only shall be permitted, it being the intent of this Covenant to prohibit the moving of any existing building onto a Lot and remodeling or converting same into a Main Dwelling Unit or Auxiliary Building.

9. No domed or underground Main Dwelling Units or Auxiliary Buildings will be permitted on any Lot.

10. All Main Dwelling Units in Grandview Estates must be built by a Custom Home Builder or individual whose quality has been approved by the ARC.

11. No Main Dwelling Unit shall be erected on any Lot at any point nearer the front property line than fifty (50) feet or that distance designated on the recorded plat as "Building Line", nor nearer any side property line than thirty (30) feet unless otherwise approved in writing by the ARC..

12. Main Dwelling Units must be completed within twelve (12) months from the date of the commencement of construction. Auxiliary Buildings must be completed within six (6) months from the date of the commencement of construction.

13. All Vehicular entrances on any Main Dwelling Unit and any Auxiliary Buildings must have a concrete driveway. All driveways shall have a minimum width of twelve (12) feet. All sidewalks in front of or on the sides of the Main Dwelling Unit must be concrete and have a minimum width of thirty (30) inches.

14. The length and diameter of all driveway culverts for each lot will be determined by Developer based on engineer's calculations provided to allow adequate drainage. The openings (ends) of all driveway culverts must be covered with concrete and finished in an attractive manner.

15. No structure of a temporary character, such as a tent, shack, garage, barn or other Auxiliary Building, shall be placed on any Lot at any time as a Main Dwelling Unit.

16. There shall not be more than two Auxiliary Buildings per Lot and their combined size shall not be greater than 50% of the total square footage of the Main Dwelling Unit.

17. All Auxiliary Buildings on any Lot must be a permanent structure and harmonize with the external construction of the Main Dwelling Unit, must be constructed of the same material, craftsmanship, and general appearance of the Main Dwelling Unit, must have concrete floors, and must be approved in writing by the ARC. Prefabricated buildings are prohibited.

18. Any Auxiliary Building on any Lot must be erected a minimum distance of twenty (20) feet behind the furthestmost point from the front property line of the Main Dwelling Unit and a minimum distance of ten (10) feet from the side and back property lines unless otherwise approved by the ARC. Setbacks on any Auxiliary Building on any corner lot may differ from the before mentioned setbacks and must be approved in writing by the ARC.

19. One (1) Auxiliary Building on any Lot may be allowed one (1) vehicular entrance facing the street that the Main Dwelling Unit on that Lot faces provided the vehicular entrance is a minimum distance of one hundred fifty (150) feet from the front property line or a minimum distance of thirty (30) feet behind the furthestmost point from the front property line of the Main Dwelling Unit, whichever is furthestmost from the front property line.

20. No Auxiliary Building shall be occupied by the Owner, Tenant, or any other person prior to the erection and completion of a Main Dwelling Unit. Under no circumstances shall any Auxiliary Building be leased or rented to any person.

21. All Main Dwelling Units and Auxiliary Buildings must be fully guttered on the front and sides.

22. All electrical service to the Main Dwelling Unit and/or Auxiliary Buildings must be underground and the electric meter must be located on the side or rear of the Main Dwelling Unit.

23. Any gas meter must be located on the side or rear of the Main Dwelling Unit.

24. No air conditioning apparatus shall be installed on the ground in front of a Main Dwelling Unit or Auxiliary Building. No air conditioning apparatus shall be attached to any front wall or side wall of a Main Dwelling Unit or Auxiliary Building. No evaporative cooler shall be installed on the front wall or side wall of a Main Dwelling Unit or Auxiliary Building.

25. All mailbox designs must be approved by the ARC and all mailboxes shall be affixed to a substantial brick or approved masonry stand permanently mounted on a concrete pad and must be harmonious with the overall character and aesthetics of the Subdivision. All mailbox locations will be determined by the Developer and the Developer shall provide the concrete pad for all mailboxes.

26. All radio, television, satellite or cable dishes, or other types of antennas or support structures shall rise no more than three (3) feet above the highest point of the roof (excluding fireplace chimney) of any building and must be located on the back roof line. Attachment of any radio, television, satellite or cable dishes, or other types of antennas and/or support structures to a fireplace chimney is prohibited. No more than two (2) antenna, satellite or cable dish(es), or combination of the two shall be visible on any Lot and no satellite dish with a diameter greater than thirty (30) inches shall be permitted.

27. Solar panels shall be permitted on any Main Dwelling Unit or Auxiliary Building provided they are not visible from the street on which the Main Dwelling Unit faces and are not visible from the adjoining side street if located on a corner lot. No wind turbines for the purpose of generating electricity shall be allowed on any Lot.

28. No Lot or any portion thereof shall be rented, leased, or sold for the purpose of erecting any type of communications or water tower.

29. All fences on any Lot must be of new construction and shall not extend through or be erected in front of any portion of the Main Dwelling Unit that faces the street on which the Main Dwelling Unit faces. All fence plans, including their lot location and property setbacks, must be submitted and approved in writing by the ARC prior to their erection. All fences shall be six (6) feet or less in height and are recommended to be ornamental iron construction. Wood fencing is not permitted unless approved in writing by the ARC. Fencing shall be kept to a minimum, however, any sub-surface areas such as swimming pools shall be fenced and secured by an approved design. Chain link fences (including dog runs, batting cages, etc.) and barbed wire fences of any type are prohibited. No fences of any type (including natural hedges, i.e. shrubs, hedge rows, etc.) shall be erected or planted to form any border or fence in front of any residence or in any area where a fence may not be located. All fences shall be maintained in an attractive manner.

30. No construction of any permanent structures, fences, swimming pools and Auxiliary Buildings within any drainage, utility, or any other easement as shown on the final plat of the project will be permitted on any Lot.

31. Any building, structure, or improvement destroyed partially or totally by fire, storm, or any other means shall be repaired to original condition or demolished. The repairs, reconstruction, or demolition shall be initiated within three (3) months of the date of damage. All repairs or reconstruction must be in accordance with all restrictions, conditions, and protective covenants contained herein.

32. No swimming pool, spa, or hot tub shall be constructed on any Lot until a plot plan showing the location of the swimming pool, spa, or hot tub and necessary equipment (i.e. pumps, valves, heaters, filters, etc.) has been approved by the ARC. No aforementioned equipment shall be visible from the street on which the Main Dwelling Unit faces and shall not be visible from the adjoining side street if located on a corner Lot. All swimming pools, spas, hot tubs, kiddie pools, fountains, and other water containing objects shall be kept clean and maintained to prevent odor and breeding of mosquitos and other pests. No above ground swimming pools, except for bona fide kiddie pools twenty four inches (24") or less in depth, will be permitted on any Lot.

33. Tanks, ponds, and reservoirs are prohibited without the written approval of the ARC.

34. No sign of any kind shall be displayed to the public view on any Lot except not more than two (2) signs used by the developer and/or a builder of not more than six (6) square feet to advertise sale of Lot or during construction and sale of residence or one (1) sign of not more than six (6) square feet advertising the property for sale at any later date.

35. No individual water supply system shall be permitted on any Lot unless such system is located, constructed, and equipped in accordance with the requirements, standards, and recommendations of state or local public health authority. Approval of such system as installed shall be obtained from such authority.

36. No individual sewage disposal system shall be permitted on any Lot unless such system is located, and constructed in accordance with the requirements, standards, and recommendations of state or local public health authority. Approval of such system as installed shall be obtained from such authority.

37. No oil drilling, oil development operation, oil refining, quarrying, or mining operations of any kind shall be permitted upon or in any Lot, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot.

38. Dogs, cats, or other household pets may be kept in reasonable numbers, provided that they are not kept, bred or maintained for any commercial purposes. No kennels or breeding of pets for money will be allowed. No livestock, including, but not limited to horses, cattle, sheep, goats, domestic fowl, swine, ratites, etc. will be allowed. Dangerous animals may not be kept on any Lot.

39. Use of house trailers, campers, motor homes, boats, trailers, trucks, buses, RV's or similar vehicles of any kind whatsoever for residential purposes is prohibited. No such vehicles shall be parked on the street, parked in front of, or parked on any Lot within the subdivision unless such vehicle is kept inside a garage or Auxiliary Building.

40. No vehicle of any size which transports inflammatory or explosive cargo may be kept in the Sub- division at any time.

41. No overnight parking of any vehicle on the street or right of way will be permitted. No vehicles shall be parked on any unpaved surface of any Lot. No vehicles that have had their registration or inspection stickers expired or any inoperative vehicles shall be parked on any Lot for more than seven (7) days unless they are stored inside a garage. Wrecked vehicles and vehicles on blocks are prohibited.

42. Trucks or trailers with tonnage in excess of one-ton and any vehicle with painted advertisement with tonnage in excess of one-ton shall not be permitted to park overnight on the streets, driveways, or otherwise within the Subdivision at any time.

43. No tank or container larger than ten (10) gallon capacity containing butane, propane, fuel oil, natural gas, oil, or flammable liquid shall be placed on any Lot. The only exception being Lot 19, which may retain the use of the propane tank installed prior to the development of the Subdivision.

44. Front lawns of all Lots shall be primarily composed of grass. All Lots whether occupied or unoccupied shall be kept cleanly mowed and groomed at all times. Grass and weeds shall not be allowed to exceed twelve (12) inches in height.

45. No Lot shall be used as a dumping ground for rubbish, trash, garbage, or other waste. Rubbish, trash, garbage, or other waste shall not be kept except in sanitary containers, and all incinerators or other equipment for the disposal or storage of such materials shall be kept in a clean and sanitary condition. The burning of any materials, including household and yard waste, is prohibited.

46. Owner or occupants of Lots shall in no event use any Lot for storage of material and equipment except for normal residential requirements or incidental to construction of improvements as

permitted. No commercial product, liquid, solid, or otherwise, shall be stored or kept upon any Lot, nor shall any Lot be used for the storage of commercial products, liquid or solid, nor shall any structure erected upon any Lot be used for the storage of commercial products, liquid or solid, not necessary to the use and enjoyment of Lot for residential purposes.

47. All Lots shall be kept in an orderly fashion and no outside storage of machinery, lawn equipment, junk, appliances, furniture (excluding furniture designed and intended by the manufacturer to be used as lawn furniture), tools, or other equipment will be permitted.

48. No noxious or offensive activity shall be carried on upon any Lot, nor shall any activity be allowed by any person, animal, or object thereon which may be or may become an annoyance or nuisance to the neighborhood, including but not limited to offensive odors, excessive emissions of smoke, dust, or vapors, or excessive noise levels. The discharge of firearms on any Lot is strictly prohibited.

49. No more than one (1) garage, yard, or moving sale will be allowed on any Lot within any twelve (12) month period.

50. No Owner shall be permitted to re-subdivide any Lot. Any person owning two adjoining Lots may consolidate such Lots into a single building location, providing the Lots share a common side property line, for the purpose of constructing one (1) residential structure thereon and such other improvements as are permitted herein; provided, however, any such consolidation must comply with the rules, ordinances and regulations of any governmental authority having jurisdiction over the Properties. In the event of any such consolidation, the consolidated Lots shall be deemed to be a single Lot for purposes of applying the provisions of this Declaration, with such Owner being entitled to one vote for the consolidated Lot and being obligated to pay assessments hereunder as if such Owner owned only one (1) Lot. Combining of portions of Lots into a single building site is prohibited.

51. No activity that might reasonably be considered to reduce the marketability of any lot or the desirability of the Subdivision as a residential neighborhood shall be carried on upon any Lot or Common Area.

52. Lot 19 shall be exempt from the restrictions and conditions described and contained herein until 12/31/04, however, this exemption period may expire before 12/31/04 at the Declarant's request.

53. Use of any Lot or activity conducted thereon not permitted under the ordinances adopted by the County of Kaufman, Texas is prohibited.

ARTICLE V

COMMON AREAS

Easement. Subject to the following provisions, each and every Owner in good standing with the Association shall have a non-exclusive right and easement of enjoyment in and to all Common Areas, and such easement shall be appurtenant to and shall pass with every Lot, provided the conveyance and transfer is accomplished in accordance with this Declaration. All Residents in good standing with the Association shall have a non-transferable, non-exclusive privilege to use and enjoy all Common Areas for all long as they are Members in good standing in the Association.

Extent of Members Easement. The rights and easements of use, recreation and enjoyment created hereby shall be subject to the following:

(a) The right of the Declarant or Association to prescribe reasonable regulations and policies and to charge reasonable expense reimbursements and/or deposits governing the use, operation and maintenance of the Common Areas.

(b) Liens or mortgages placed against all or any portion of the Common Areas with respect to monies borrowed by the Declarant to develop and improve the Common Areas or by the Association to improve or maintain the Common Properties;

(c) The right of the Declarant or the Association to enter into and execute contracts with any party (including, the Declarant) for the purpose of providing improvements, management, maintenance, or other materials or services consistent with the purposes of the Association and/or this Declaration;

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

(e) The right of the Declarant or the Association to enter into and execute contracts for the purpose of extending cable or utility service on, over or under the Common Areas to ultimately provide service to one or more of the Lots;

(f) The right of the Declarant or the Association to suspend the voting rights of any Owner and to suspend the right of any Member to use or enjoy any of the Common Areas for any period during which any assessment (including without limitation "fines") against a Lot resided upon by such Member remains unpaid, or during which non-compliance with this Declaration or the Design Guidelines exists, and otherwise for any period deemed reasonable by the Association for an infraction of the then-existing rules and regulations and/or architectural guidelines;

(g) The right of the Declarant, in its sole discretion, or the Association in conjunction with the Declarant, to hold, whether alone or in conjunction with others, activities within the Common Areas which may include selected invitees and/or the general public;

(h) The right of the Association to dedicate or transfer all or any part of the Common Areas to any municipal corporation, public agency, governmental authority, or utility for such purposes and upon such conditions as may be agreed to by the Board; and

(i) The right of the Declarant to grant permits, licenses and easements over the Common Areas for utilities, roads and other purposes deemed necessary or appropriate by Declarant.

Restricted Actions by Members. No Member shall permit anything to be done on or in the Common Areas which would violate any applicable public law or zoning ordinance or which would result in the cancellation of or the increase of premiums for any insurance carried by the Declarant or the Association, or which would be in violation of any law or any rule or regulation promulgated by the Board.

Damage to the Common Areas. Each Member shall be liable to the Declarant and to the Association for any damage to any portion of the Common Areas caused by the negligence or willful misconduct of the Member or his family or guests.

Rules of the Board. All Members shall abide by any rules and regulations adopted by the Board. The Board shall have the power to enforce compliance with said rules and regulations by all appropriate legal and equitable remedies, and a Member determined to have violated said rules and regulations shall be liable to the Association for all damages and cost, including reasonable attorneys fees.

Use of Common Areas. The Board shall have the power and authority to prescribe rules and regulations which extend to and cover matters such as (but not limited to) loud and obnoxious noises and behavior. No person or entity (excluding the Declarant) shall use any portion of the Common Properties to:

(a) solicit, promote or conduct business, religious, political or propaganda matters;

(b) distribute handbills, newsletters, flyers, circulars or other printed materials,

without the prior written consent of the Association (which consent may be withheld in its sole and absolute discretion). The Association may, on its own motion, permit and allow town hall meetings, voting precincts, community garage sales and bazaars and other reasonable activities to occur on the Common Areas in accordance with rules and regulations deemed reasonable and appropriate by the Association.

User Fees and Charges. The Board may levy and collect special charges and fees for the operation and maintenance of the Common Areas which the Declarant or the Board determines to be necessary for the advancement, benefit and welfare of the Declarant, the Owners or Residents. When Owner shall fail to pay a charge or fee when due and payable said unpaid charge or fee shall be delinquent and upon written notice to said Owner to pay said fee and charge when due and payable, in addition, shall be a breach of these Covenants.

Encroachments. If construction, reconstruction or repair activities which have been approved by the Declarant, Board, or ARC encroaches on a Member Lot an easement shall then and there exist to permit the encroachment and to facilitate the reasonable and necessary construction or maintenance activities related thereto.

ARTICLE VI

ADMINISTRATION, MEMBERSHIP AND VOTING RIGHTS

IN THE ASSOCIATION

AUTHORITY:

Control. The Association's rights, duties and obligations under this Declaration shall be administered by the Board, except for those matters specifically delegated to the Architectural Review Committee in this Declaration. The Board shall consist of three (3) individuals who shall be selected by the Declarant as long as the Declarant owns land within the Property. After Declarant no longer owns land within the Property, the Board shall be elected by the majority vote of Members voting in person or by proxy at a meeting duly called for the purpose of electing Board members. Upon Declarant no longer owning land within the Property, Board members shall be elected to serve two (2) year terms and shall be elected in staggered terms.

Powers and Duties of the Board. The Board shall have all authority to administer the Association, including, but not limited to the powers and duties contained in the By-Laws.

Liability Limitations. Neither any Owner nor the Board nor the directors (or any of them) nor the officers, agents or employees of the Association nor any other entity acting for or on behalf of the Association shall be personally liable for debts contracted for or otherwise incurred by the Association or

for a tort of another Owner, whether or not such other Owner was acting on behalf of the Association or otherwise. Neither the Declarant nor the Association, nor their directors, officers, agents or employees, shall be liable for any incidental or consequential damages for failure to inspect any premises, Improvements or portions thereof or for failure to repair or maintain the same. The Declarant or the Association shall not be liable for any personal injury or other incidental or consequential damages occasioned by any act or omission in the repair or maintenance of any premises, Improvements or portions thereof.

The members of the Board, the officers of the Association and the members of the Architectural Review Committee shall not be personally liable to the Owners or others for any mistake of judgment or for any acts or omissions made in good faith by such members or officers. Each member of the Board, officer of the Association and member of the Architectural Review Committee shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed upon him or her in connection with any proceeding to which he or she may be a party, or in which he or she may become involved, by reason of his or her being or having been a member or an officer, or any settlement thereof, whether or not he or she is a member or an officer at the time such expenses and liabilities are incurred; provided that in the event of a settlement, the indemnification shall apply only if the Board approves such settlement and reimbursement.

The provisions stated above shall be liberally construed to limit the liability of, and for the benefit of, the Owners, the Board, the directors, officers, agents and employees of the Association, the Architectural Review Committee, Declarant and all other entities acting for or on behalf of the Association.

INSURANCE, REPAIR AND RESTORATION:

Insurance. The Association may keep all insurable improvements and fixtures of the Common Areas insured against loss or damage by fire for the full insurance replacement cost thereof, and may obtain insurance against such other hazards and casualties as the Association may deem desirable. The Association may also insure any other property whether real or personal, owned by the Association, against loss or damage by fire and such other hazards as the Association may deem desirable, with the Association as the Owner and beneficiary of such insurance. The insurance coverage with respect to the

Common Areas shall be written in the name of, and the proceeds thereof shall be payable to the Association. Insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried. Premiums for all insurance carried by the Association are common expenses included in the assessments made by the Association.

Damage to Common Areas. In the event of damage to or destruction of any part of the improvements to the Common Areas, the Association may repair or replace the same from the insurance proceeds available. If such insurance proceeds are insufficient to cover the costs of repair or replacement of the property damaged or destroyed, the Association may make a special assessment against all Owners to cover the additional cost of repair or replacement not covered by the insurance proceeds, in addition to any other assessments made against such Owner.

Review of Insurance Policies. All insurance policies may be reviewed at least annually by the Board in order to ascertain whether the coverage contained in the policies is sufficient to make any necessary repairs or replacement of the Common Areas which may have been damaged or destroyed. The Association may acquire liability insurance if deemed desirable by the Association. The Association shall be the insured party under the policy.

RESERVE FUNDS:

The Board may establish reserve funds which may be maintained and accounted for separately from other funds maintained for annual operating expenses, and may establish separate, irrevocable trust accounts in order to demonstrate that the amounts deposited therein are capital contributions and not net income to the Association.

MEMBERSHIP:

Each and every person, persons or legal entity who shall own any Lot, tract, or parcel of land in the Property, shall automatically be a Member of the Association, provided that any person or entity who holds such an interest merely as security for the performance of any obligation shall not be a Member.

CLASSES OF VOTING MEMBERS:

The Association shall have two classes of voting membership:

Class A Members. Class A Members shall be all those Members described above with the exception of Declarant. Class A Members shall be entitled to one vote for each Residential Lot owned.

When two or more persons or entities hold undivided interests in a Lot, all such persons or entities shall be Class A Members, and the vote for such Lot shall be exercised as they, among themselves, determine, but in no event shall more than one vote be cast with respect to each Lot.

Class B Members. The Class B Member shall be the Declarant. The Class B Member shall be entitled to fifty (50) votes for each Lot owned by it.

ARTICLE VII

ASSESSMENTS

Covenants for Assessments. The Owner of each Lot within the Property, hereby covenants, and each purchaser of any Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant to pay to the Association: (i) annual assessments or charges; and (ii) special assessments for capital improvements, all of such assessments to be fixed, established, and collected from time to time as hereinafter provided.

Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the following: (i) improving and maintaining the Common Areas; (ii) reimbursing the Declarant, at Declarant's request, for costs incurred by Declarant in the construction, installation, reconstruction, replacement, repair or maintenance of the Common Areas; (iii) paying the costs of any litigation involving the Association; and (iv) carrying out the purposes of the Association as stated in its Articles of Incorporation.

Annual Assessment. Each Owner of a single family residential Lot shall pay to the Association an initial annual assessment of Three Hundred Sixty Dollars (\$360.00). The rate of annual assessment may be increased by the Declarant or by the vote of the Members, as provided herein. The Board may, after consideration of current maintenance costs and future needs of the Association, fix the actual assessment for any year at a lesser amount. In future phases of development within the Property, the Board may fix the initial annual assessment at a different rate based on the projected expenses of such future phase. The initial annual assessment for any future phase of development shall be established by Declarant prior to the sale of the first Lot in such future phase.

Special Assessments. In addition to the annual assessments, the Association may, by vote of its Members, levy in any year or years a special assessment for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described Improvement including the necessary fixtures and personal property related thereto, or for carrying out other purposes of the Association as stated in its Articles of Incorporation.

Vote Required for Increase in Rate of Annual Assessment. The Board may increase the rate of annual assessment up to ten (10) percent per year without a vote of the Members. An increase, greater than ten (10) percent, in the rate of the annual assessment, must be approved by a majority vote of Members, voting in person or by proxy, at a meeting duly called for such purpose. Notice of such meeting shall be given to all Members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

Vote Required for Special Assessment. The Special Assessment must be approved by 60 percent of the Class A votes cast in person or by proxy, at a meeting duly called for such purpose, notice of which shall be given to all Members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

Commencement Date of Annual Assessment. The first annual assessment provided for herein shall commence with the year 2003 and shall continue thereafter from year to year.

Due Date of Assessments. The first annual assessment shall become due and payable on January 1, 2003, and shall be considered delinquent if not paid by January 31, 2003. The assessments for any year after 2003 shall become due and payable on January 1 of such year and delinquent if not paid by January 31 of such year. The due date and delinquent date of any special assessment shall be fixed in the resolution authorizing such assessment.

Owner's Personal Obligation for Payment of Assessments. The annual and special assessments provided for herein shall be the personal and individual debt of the Owner of the property covered by such assessments. No Owner may exempt himself from liability for such assessments. In the event of

default in the payment of any such assessment, the Owner of the Lot may be levied a penalty and may be obligated to pay interest on the amount of the assessment from the due date thereof, together with all costs and expenses, including attorneys' fees. The Board has the discretion to establish and adjust the penalty and interest described herein as it deems appropriate.

Assessment Lien and Foreclosure. All sums assessed in the manner provided in this Article but unpaid shall, together with any penalty and/or interest as provided herein and the cost of collection, including attorney's fees as hereinafter provided, thereupon become a continuing lien and charge on the property covered by such assessment, which shall bind such property in the hands of the Owner, and his or her heirs, devisees, personal representatives, and assigns. The aforesaid lien shall be superior to all other liens and charges against the said property, except only for tax liens and sums unpaid on a first mortgage lien or first deed of trust lien of record, securing in either instance sums borrowed for the improvement of the property in question. The Association shall have the power to subordinate the aforesaid assessment lien to any other lien. Such power shall be entirely discretionary with the Association. To evidence the aforesaid assessment lien, the Association shall prepare a written notice of assessment lien setting forth the amount of the unpaid indebtedness, the name of the owner of the property covered by such lien and a description of the property. Such notice shall be signed by one of the officers of the Association and shall be recorded in the office of the County Clerk of Kaufman County, Texas. Such lien for payment of assessments shall attach with the priority above set forth from the date that such payment becomes delinquent as set forth above and may be enforced by the foreclosure of the defaulting Owner's property by the Association in like manner as a mortgage on real property subsequent to the recording of a notice of assessment lien as provided above, or the Association may institute suit against the Owner personally obligated to pay the assessment and/or for foreclosure of the aforesaid lien judicially. In any foreclosure proceeding, whether judicial or non-judicial as permitted in Chapter 51 of the Texas Property Code or any successor to that statute, the Owner shall be required to pay the costs, expenses and reasonable attorneys fees incurred. The Association shall have the power to bid on the property at foreclosure or other legal sale and to acquire, hold, lease, mortgage, convey or otherwise deal with the same. Upon the written request of any mortgagee holding a prior lien on any Lot, the Association shall report to said mortgagee any unpaid assessments remaining unpaid for longer than sixty (60) days after the same are due.

Common Areas Exempt. All Common Areas as defined in **Article V** hereof, shall be exempted from the assessments and lien created herein.

Declarant Property Exempt. All property owned by Declarant shall be exempted from the assessments and liens created herein.

ARTICLE VIII

EASEMENTS

Easements for the installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat. No utility company, water district, political subdivision, or other authorized entity using the easements herein referred to shall be liable for any damage done by them or their assigns, agents, or employees, to shrubbery, trees, flowers, or to other property of the Owner situated within any such easement.

ARTICLE IX

MAINTENANCE

In the event an Owner of any Lot shall fail to maintain the premises and the improvements situated thereon in a neat and orderly manner, the Declarant or the Board shall have the right, through its agents and employees, to enter upon said Lot and to repair, maintain, and restore the Lot and exterior of the buildings and any other improvements erected thereon, all at the expense of the Owner.

ARTICLE X

GENERAL PROVISIONS

Enforcement. The Declarant, Board, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, and reservations now or hereafter imposed by the provisions

of this Declaration. Failure to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Proposals of Declarant. The proposals of the Declarant, as set forth in various provisions herein above, are mere proposals and expressions of the existing good faith intentions and plans of the Declarant and shall not be deemed or construed as promises, solicitations, inducements, contractual commitments or material representations by the Declarant upon which any person or entity can or should rely. Nothing contained in or inferable from this declaration shall ever be deemed to impose under any other land owned or to be owned by the Declarant, or any related entity, any covenants, restrictions, easements or liens or to create any servitudes, negative reciprocal easements or other interests in any such land in favor of any person or entity other than the Declarant. Declarant makes no representations of any kind or character concerning the development of land parcels adjoining the Properties. Each prospective Owner should make his/her own investigation concerning those parcels and what impact, if any, same may have on the ownership, use and enjoyment of the Properties.

Severability. Invalidity of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provision, and all other provisions shall remain in full force and effect.

Duration and Amendment. The covenants, conditions, and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of, and be enforceable by, the Declarant, Board or the Owner of any Lot subject to this Declaration, and their respective legal representatives, heirs, successors, and assigns, and, unless amended as provided herein, shall be effective for a term of twenty (20) years from the date this Declaration is recorded, after which time said covenants, conditions, and restrictions shall be automatically extended for successive periods of ten (10) years. The covenants, conditions, and restrictions of this Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety (90) percent of the Lot Owners and thereafter by an instrument signed by not less than seventy-five (75) percent of the Lot Owners. No amendment shall be effective until recorded in the Plat Records of Kaufman County, Texas, nor until the approval of any governmental regulatory body which is required shall have been obtained.

Executed by the said Declarants, this 12th day of November, 2002.

DECLARANT

Grandview Estates Subdivision Phase II

By: Joe E. McSpadden
Joe E. McSpadden, Owner

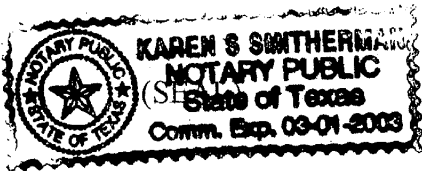
By: Karen R. McSpadden
Karen R. McSpadden, Owner

Address: 1014 Dalworth Drive
Mesquite, TX 75149

THE STATE OF TEXAS δ
 δ
COUNTY OF KAUFMAN δ

BEFORE ME, the undersigned authority, on this day personally appeared Joe E. McSpadden and Karen R. McSpadden, the Owners of the Grandview Estates Subdivision Phase II, and executed the foregoing instrument.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 12th day of November, 2002.



Karen S. Smitherman
Notary Public in and for
The State of Texas

My Commission Expires: 03-01-2003