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DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
(Hunters Glen, Section III)

THIS DECLARATION, made as of the date hereinafter set forth by HUNTERS GLEN VENTURE I, a Joint Venture between LEXINGTON DEVELOPMENT COMPANY, a Texas corporation, and DACAR N.V., a Netherlands Antilles corporation, hereinafter referred to as "DECLARANT";

WITNESSETH:

THAT, WHEREAS, Declarant is the owner of that certain 137.595 acre tract of land out of the I. & G.N. R.R. Co. No. 3 & I. & G.N. R.R. Co. No. 4 Surveys, A-263 and A-264, Fort Bend County, Texas, which has been heretofore platted and subdivided into that certain subdivision known and designated as Hunters Glen, Section III, according to the map or plat thereof recorded in Volume 20, Page 8 of the Map Records of Fort Bend County, Texas, and desires hereby to adopt and establish certain restrictive covenants applicable to the use and occupancy of all of the platted lots in such subdivision for the mutual benefit of all present and future owners of subdivision lots in Hunters Glen, Section III;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS that Declarant does hereby adopt, establish, promulgate and declare that all platted lots in Hunters Glen, Section III, shall be owned, held, occupied, used, sold and conveyed subject to the following easements, restrictions, covenants and conditions, all of which shall run with the land and shall inure to the benefit of and be binding upon all persons owning any interest in said land, to-wit:

1. Single Family Residential Construction: No platted lot shall be used for any purpose or purposes except for residential purposes unless otherwise indicated on the recorded plat and no building shall be erected, placed, altered or permitted to remain on any lot other than one detached single family residential dwelling not to exceed two stories in height and a private enclosed or partially enclosed garage for not less than one nor more than three automobiles.

2. Architectural Control and Approval of Plans: No building, structure or other improvements of any kind or character shall be commenced, erected, placed or altered on any subdivision lot until the construction plans and specifications therefor showing the nature, kind, shape, dimensions, materials and exterior color scheme of the proposed improvements and a plot plan showing the location of such improvements shall have been submitted to and approved in writing by the Architectural Control Committee, hereinafter designated, or its duly authorized representative; provided, however, if said Committee, or its authorized representative, shall fail to approve or disapprove any proposed plans, specifications and locations within thirty (30) days after the same shall have been submitted to them or him for approval, such plans, specifications and locations shall be deemed to have

received the approval of the Committee, or its duly authorized representative; provided, however, failure to timely approve or disapprove such plans and specifications shall not be deemed to permit the erection, construction, placing or altering of any structure on any lot in a matter prohibited under the terms of this Declaration. Approval of the plans and specifications and of the location plot plan shall be evidenced by written endorsements thereon and a duplicate copy thereof with such written endorsements thereon shall be furnished to the lot owner submitting the same.

Said Committee, or its duly authorized representative, shall have the right and power to disapprove any such plans and specifications or locations which, at the sole and uncontrolled discretion and opinion of the Committee, or its authorized representative, are not suitable or desirable for purely aesthetic or any other reasons, and the approval or disapproval of the Committee, or its authorized representative, of any plans and specifications and location plot plan shall be final, binding and conclusive. No structure or improvements of any kind, the construction plans, specifications and location plot plan for which have not been approved, as herein required, or which do not comply fully with the construction plans, specifications and location plot plan which have been so approved, shall be erected, constructed, placed or maintained upon any lot. The approval of the Committee of any plans and specifications or of the location plot plan shall in no event be deemed to create any liability whatsoever in the Declarant, the members of the Committee, the duly authorized representative of the Committee, or in any other party for any structural defects or other defects in such plans and specifications or such location plot plan or in any building or structure or the location thereof, erected and located in accordance with such plans and specifications and location plot plan.

Anything contained in this Paragraph 2 or elsewhere in this Declaration to the contrary notwithstanding, the Architectural Control Committee, and its duly authorized representative, is hereby authorized and empowered, at its sole and absolute discretion, to make and permit reasonable modifications of and deviations from any of the requirements of this Declaration relating to the type, kind, quantity or quality of the building materials to be used in the construction of any building or improvement on any subdivision lot and of the size and location of any such building or improvement when, in the sole and final judgement and opinion of the Committee or its duly authorized representative, such modifications and deviations in such improvements will be in harmony with existing structures and will not materially detract from the aesthetic appearance of the subdivision and its improvements as a whole.

The Architectural Control Committee may require the submission to it of such documents and items (including, as examples but without limitation, written request for and description of the variances requested, plans, specifications, plot plans and samples of materials) as it shall deem appropriate, in connection with its consideration of a request for a variance. If the Architectural Control Committee shall approve such request for a variance, the Architectural Control Committee may evidence such approval, and grant its permission for such variance, only by written instrument, addressed to the Owner of the Lot(s) relative to which such variance has been requested, describing the applicable restrictive covenant(s) and the particular variance requested, expressing the decision of the Architectural Control Committee to permit the variance, describing (when applicable) the conditions on which the variance has been approved (including, as examples but without limitation, the type of alternate materials to be permitted, and alternate fence height appr ed or specifying the location, plans and specifications applicable to an appro d carport), and signed by a majority of the then members of the Architectural Control Committee (or by the Committee's duly authorized representative). Any request for a variance shall be deemed to have been disapproved for the purposes hereof in the event of either (a) written notice of disapproval from the Architectural Control Committee; or (b) failure by the Architectural Control Committee to respond to the request for variance. In the event the Architectural Control Committee or any successor to the authority thereof shall not then be functioning and/or the term of the Architectural Control Committee shall have expired and the Board of Trustees of the Association shall not have succeeded to the authority thereof as herein provi ed, no variances from the covenants of this Declaration shall be permitted, it being the intention of Declarant that no variances be available except at the discretion of the Architectural Control Committee or, if it shall have succeeded to the authority of the Architectural Control Committee in the manner provided

herein, the Board of Trustees of the Association. The Architectural Control Committee shall have no authority to approve any variance except as expressly provided in this Declaration. The current address of the Architectural Control Committee is Post Office Box 35705, Houston, Texas 77035.

The Architectural Control Committee herein created shall be initially composed of John P. Collins, Gerald W. Torgesen and John M. Childs, the act of a majority of which shall be the act of the Committee. In the event of the death, disability, refusal to act or resignation of any of said members of the Committee, the Declarant shall appoint a Successor Committee member by a recorded written instrument but, until such appointment is made, the remaining members shall be authorized to act. At such time as the Class B membership in the Hunters Glen Community Association ceases, as provided in Paragraph 30 of this Declaration, the right and power to thereafter appoint Successor Committee members to such Architectural Control Committee shall pass to and vest in such Association.

3. Minimum Square Footage Within Improvements: The ground floor of the main structure, exclusive of one-story open porches and garages, shall not be less than twelve hundred fifty (1250) square feet for one-story dwellings nor less than seven hundred (700) square feet for a dwelling of more than one story. The total square footage for a dwelling of more than one story shall be not less than fifteen hundred (1500) square feet.

4. Location of the Improvements: No building shall be located on any Lot nearer to the front lot line or nearer to the side street line than the minimum building set-back lines shown on the recorded plat, and no building (except a garage or permitted accessory building located sixty-five (65) feet or more from the front lot line) shall be placed on any Lot so as to be located:

A. Nearer than five (5) feet to either of the side lines of such Lot;

B. So that the aggregate width of the side yards at the front building set-back line is less than fifteen percent (15%) of the width of the Lot at the front building set-back line, with the further provision that neither of such side yards shall have a width of less than five (5) feet;

C. No single family residence shall be located on any interior Lot nearer than fifteen (15) feet to the rear lot line, except where a garage is attached to the main structure of the residence in which case the rear wall of the living area shall not be nearer than fifteen (15) feet to the rear lot line, and the rear wall of the garage shall not encroach upon any easement. No outbuildings on any residential Lot shall exceed in height the dwelling to which they are appurtenant. Every such outbuilding shall correspond to the style and architecture to the dwelling to which it is appurtenant;

D. All improvements in the subdivision shall be constructed on a residential Lot so as to front the street upon which such Lot faces. The Architectural Control Committee shall have the right and power to designate the direction in which the improvement on any corner residential Lot shall face. A three (3) foot side yard shall be permissible for a garage or other permitted accessory building located sixty-five (65) feet or more from the front property line. If two or more Lots, or fractions thereof, are consolidated into one building site in conformity with the provisions of Paragraph 5 below, these building set-back provisions shall be applied to such resultant building site as if it were one original platted Lot.

5. Composite Building Site:

A. None of said Lots shall be resubdivided in any fashion except as hereinafter provided.

B. Any persons owning two or more adjoining Lots may subdivide or

consolidate such Lots into building sites, with the privilege of placing or constructing improvements, as permitted in Paragraphs 3 and 4 above, on each such resulting building site, provided that such subdivision or consolidation does not result in more building sites than the number of platted Lots involved in such subdivision or consolidation.

C. No Lot shall be resubdivided into nor shall any dwelling be erected or placed on any Lot, or building site, having an area of less than six thousand (6000) square feet, provided, however, any whole Lot as shown on the recorded plat shall constitute a permissible Lot or building site.

6. Utility Easements: Easements for the installation and maintenance of utilities are reserved as shown and provided for on the recorded plat or as dedicated by separate instrument. Neither Declarant nor any utility company using the easements shall be liable for any damage done by either of them or their respective assigns, agents, employees or servants to shrubbery, trees, flowers or improvements of the Owner located within the area covered by said easements.

7. Prohibition of Offensive Activities: No activity, whether for profit or not, shall be carried on on any Lot which is not related to single family residential purposes. No noxious or offensive activity of any sort shall be permitted nor shall anything be done on any Lot which may be or become an annoyance or a nuisance to the neighborhood.

8. Temporary Buildings: No house trailer, motor home, tent, shed, barn or other temporary building of any nature shall be placed or constructed on any Lot; provided, however, that a temporary office or work shed may, following approval thereof by Declarant or its assigns, be maintained upon any Lot or Lots by any building contractor or sales agency in connection with the erecting and sale of dwellings in the subdivision, but such temporary structure shall be removed at completion of construction or sale of the dwellings whichever is applicable, or within ten (10) days following notice from Declarant or its assigns. No such temporary buildings shall ever be used for residential purposes.

9. Storage of Automobiles, Boats, Trailers and Other Vehicles: No boat trailers, motor homes, boats, travel trailers, truck trailers, inoperative automobiles, campers or vehicles of any kind are to be stored more than forty-eight (48) hours in the public street right-of-way or on driveways. Permanent and semi-permanent storage of such items and vehicles must be screened from public view, either within the garage or behind the fence which encloses the rear of the Lot.

10. Mineral Operations: No oil drillings, oil development operations, 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 derricks or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot.

11. Animal Husbandry: No animals, livestock or poultry of any kind shall be raised, bred, or kept on any Lot except that dogs, cats or other common household pets (not to exceed a total of three (3) adult animals) may be kept provided that they are not kept, bred or maintained for commercial purposes.

12. Walls and Fences: No fence or wall shall be erected, placed or altered on any Lot:

A. Nearer to any street than the minimum building set-back lines as shown on the Subdivision Plat;

B. Nearer to the front Lot line than the plane of the front exterior wall of the residential structure on the Lot.

The Architectural Control Committee may, at its discretion, permit a fence to be located nearer to the front Lot line than the plane of the front exterior wall of the residential structure (but not in front of the building set-back line). All fencing shall be of wood or ornamental metal. Walls can be brick, stucco or native

stone. The use of chain link fencing is prohibited, except for tennis courts and other special applications, and then only with written permission from the Architectural Control Committee. No fence shall exceed seven (7) feet in height without written permission from the Architectural Control Committee.

13. Underground Electrical Service: An underground electric distribution system will be installed in that part of Hunters Glen, Section III, designated Underground Residential Subdivision, which underground service area shall embrace all Lots in Hunters Glen, Section III. The Owner of each Lot in the Underground Residential Subdivision shall, at his own cost, furnish, install, own and maintain (all in accordance with the requirements of local governing authorities and the National Electrical Code) the underground service cable and appurtenances from the point of the electric company's metering on customer's structure to the point of attachment at such company's installed transformers or energized secondary junction boxes, such point of attachment to be made available by the electric company at a point designated by such company at the property line of each Lot. The electric company furnishing service shall make the necessary connections at said point of attachment and at the meter. In addition, the Owner of each Lot shall, at his own cost, furnish, install, own and maintain a meter loop (in accordance with the then current standards and specifications of the electric company furnishing service) for the location and installation of the meter of such electric company for the residence constructed on such Owner's Lot. For so long as underground service is maintained, the electric service to each Lot in the Underground Residential Subdivision shall be uniform in character and exclusively to the type known as single phase, 120/240 volt, three wire, 60 cycle, alternating current.

The electric company will install the underground electric distribution system in the Underground Residential Subdivision at no cost to Developer (except for certain conduits, where applicable, and except as hereinafter provided) upon Developer's representation that the Underground Residential Subdivision is being developed for residential dwelling units, including homes, and if permitted by the restrictions applicable to such subdivision, townhouses, duplexes and apartment structures, all of which are designed to be permanently located where originally constructed (such category of dwelling units expressly to exclude mobile homes) which are built for sale or rent and all of which multiple dwelling unit structures are wired so as to provide for separate metering to each dwelling unit. Should the plans of the Developer or the Lot Owners in the Underground Residential Subdivision be changed so as to permit the erection therein of one or more mobile homes, Company shall not be obligated to provide electric service to any such mobile home unless (a) Developer has paid to the Company an amount representing the excess in cost, for the entire Underground Residential Subdivision, of the underground distribution system over the cost of equivalent overhead facilities to serve such Subdivision or (b) the Owner of each affected Lot, or the applicant for service to any mobile home, shall pay to the Company the sum of (1) $1.75 per front lot foot, it having been agreed that such amount reasonably represents the excess in cost of the underground distribution system to serve such Lot or dwelling unit over the cost of equivalent overhead facilities to serve such Lot or dwelling unit, plus (2) the cost of rearranging, and adding any electric facilities serving such Lot, which arrangement and/or addition is determined by Company to be necessary.

The provisions of the two preceding paragraphs also apply to any future residential development in Reserve(s) shown on the plat of Hunters Glen, Section III, as such plat exists at the execution of the agreement for underground electric service between the electric company and Developer or thereafter. Specifically, but not by way of limitation, if a Lot Owner in a former Reserve undertakes some action which would have invoked the above per front lot foot payment if such action had been undertaken in the Underground Residential Subdivision, such Owner or applicant for service shall pay the electric company $1.75 per front lot foot, unless Developer has paid the electric company as above described. The provisions of the two preceding paragraphs do not apply to any future non-residential development in such Reserve(s).

14. Lot Maintenance: The Owners or occupants of all Lots shall at all times keep all weeds and grass thereon cut in a sanitary, healthful and attractive manner and shall in no event use any Lot for storage of materials and equipment except for normal residential requirements or incident to construction of improvements thereon as herein permitted or permit the accumulation of garbage, trash or rubbish

of any kind thereon and shall not burn anything (except by use of an incinerator and then only as prescribed and during such hours as permitted by law). In the event of default on the part of the Owner or occupant of any Lot in observing the above requirements or any of them, such default continuing after ten (10) days written notice thereof, Declarant or its assigns shall without liability to the Owner or occupant in trespass or otherwise enter upon said Lot or cause to be removed such garbage, trash and rubbish or do any other thing necessary to secure compliance with these restrictions so as to place said Lot in a neat, attractive, healthful and sanitary condition and may charge the Owner or occupant of such Lot for the cost of such work. The Owner or occupant, as the case may be, agrees by the purchase or occupancy of the property to pay for such work immediately upon receipt of a statement therefor. In the event of the failure to pay such statement, the amount thereof may be added to the annual maintenance charge provided for herein.

15. Signs, Advertisements, Billboards: No signs, billboards, posters or advertising devices of any character shall be erected or displayed to the public view on any Lot except one sign of not more than five (5) square feet advertising the property for sale during the construction and sales period. The right is reserved for builders, provided consent is obtained from the Declarant, to construct and maintain signs, billboards or advertising devices on Lots owned by Declarant for the purpose of advertising for sale dwellings constructed by the builders and not previously sold by such builders; provided, however, that such signs, billboards or advertising devices must be removed within ten (10) days following notice to that effect from Declarant or its assigns.

16. Location and Maximum Height of Antennae: All radio or television aerial wires or antennae shall be placed on the back side of the ridge line of the roof away from the street unless this is not possible due solely to the design of the roof. In any event, no radio or television aerial wires or antennae shall be maintained on any portion of any residential Lot forward of the front building line of said Lot; nor shall any antenna of any style be permitted upon the Lot which extends more than ten (10) feet above the height of the roof of the main residential structure on said Lot.

17. Window Air Conditioners: No window or wall type air conditioners shall be permitted to be used, erected, placed or maintained on or in any building in any part of the Properties, provided that the Architectural Control Committee may, at its discretion, permit window or wall type air conditioners to be installed if such unit, when installed, shall not be visible from a street, such permission to be granted in writing.

18. Type of Construction, Materials and Landscape:

A. No residence shall have less than fifty-one percent (51%) brick or equivalent masonry construction on its exterior wall area. However, the Architectural Control Committee may waive the foregoing requirement to permit appropriate all-wood house designs and detached garages, if approved in writing by the Architectural Control Committee.

B. Yellow or orange brick should not be used except where permission is given in writing by the Architectural Control Committee.

C. Stone should be native Texas stone and must complement the style of the architecture employed and conform to the color scheme of the immediate neighborhood.

D. The roof of any building shall be constructed or covered with (1) wood shingles, or (2) asphalt or composition type shingles of 230# or heavier weight with a color that would be dark brown or approximate the color of weathered cedar shingles. The decision of such comparison shall rest exclusively with the Architectural Control Committee. Any other type roofing material shall be permitted only at the sole discretion of the Architectural Control Committee, upon written request.

E. Before the dwelling unit is completed, the Lot Owner shall con-

struct a sidewalk four (4) feet in width parallel to the street curb, and shall extend to the projection of the Lot boundary line(s) into the street right-of-way and/or street curbs at corner Lots.

F. Mailbox: Residents are encouraged to use standard mailbox designs and colors as approved by the Architectural Control Committee. Residents who choose their own mailbox design must use a design and color that matches the residence on the Lot where the mailbox is placed. Approval for the appropriateness of design and color on a mailbox will be at the sole discretion of the Architectural Control Committee.

G. All roof stacks and flashings must be painted to match roof color.

H. On front lawns and wherever visible from any street, there shall be no decorative appurtenances placed, such as sculptures, birdbaths and birdhouses, fountains or other decorative embellishments unless such specific items have been approved in writing by the Architectural Control Committee.

I. All playground equipment should be placed in the rear of the property.

J. No outside clothes line shall be permitted that is visible from any street.

19. Definitions:

A. "Association" shall mean and refer to Hunters Glen, Section III Community Association, its successors and assigns. The Association shall have power to collect and disburse the maintenance assessments provided for in Paragraph 20.

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

C. "Properties" shall mean and refer to the real property hereinbefore described and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

D. "Common Area", if any, shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

E. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties, except the Common Area, if any.

F. "Declarant" or "Developer" shall mean and refer to HUNTERS GLEN VENTURE I, a Joint Venture, its successors and assigns, if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

20. Maintenance Assessments: The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by 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: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected 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 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 property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

21. Purpose of Assessments: The assessments levied by the Association shall be used exclusively to promote the health, safety and welfare of the residents in the Properties and for the improvement and maintenance of the Common Area, if any, and of the homes situated upon the Properties. Such assessments, also, may be expended by the Hunters Glen Community Association for any purpose, which in its judgement, will be most effective in maintaining the property values in Hunters Glen, Section III and may include, but not by way of limitation, the lighting, collecting and disposing of garbage, ashes or other refuse in Hunters Glen, Section III, employing policemen and/or watchmen, fogging or spraying for control of mosquitoes and other insects, and in doing any other thing necessary or desirable which in the opinion of the Hunters Glen Community Association, will keep the property neat and presentable or for any other purpose which the Association considers will benefit the Owners or occupants of property in Hunters Glen, Section III.

The proceeds of the regular annual assessments or special assessments shall not be used to reimburse Declarant for any capital expenditures incurred in construction or other improvements of either recreational facilities within the subdivision or recreational facilities outside the perimeter of the subdivision, nor for the operation or maintenance of any such facilities prior to conveyance unencumbered to the Association.

22. Maximum Annual Assessment: The maintenance charge on Class B Lots shall be a maximum of fifty percent (50%) of the assessment for Class A Lots per month and shall begin to accrue on a monthly basis on each such Lot on the date the first house in the subdivision is purchased or on the date fixed by the Board of Trustees to be the date of commencement, whichever occurs first. The entire accrued charge (of said rate stated above per month) on each Lot shall become due and payable on the date such Lot converts from a Class B Lot to a Class A Lot by reason of the Owner's purchase of the residence thereon.

The maintenance charge on Class A Lots shall be a sum determined by the Hunters Glen Community Association not to exceed $96.00 per year. The initial charge shall accrue and become due and payable on each Lot on the day such Lot converts from a Class B Lot to a Class A Lot by reason of the Owner's purchase of the residence thereon. The determination of the amount of such initial charge, which shall be for the remainder of the year in which such class conversion of said Lot occurs, shall be made by the Hunters Glen Community Association on, or as of, said accrual date and shall be immediately due and payable. The maintenance charge on each Class A Lot and thereafter shall accrue and become due and payable on the first day of January of each succeeding year and shall be in an amount (not to exceed $96.00 per year) determined by the Hunters Glen Community Association during the thirty (30) day period next preceding the due date of said charge.

A. From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year not more than three percent (3%) above the maximum assessment for the previous year without a vote of the membership.

B. From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above three percent (3%) by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for that purpose.

C. The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

23. Special Assessments for Capital Improvements: In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only 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, if any, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

24. Notice and Quorum for Any Action Authorized Under Sections 22 and 23: Written notice of any meeting called for the purpose of taking any action authorized under Section 22 or 23 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

25. Uniform Rate of Assessment: Both annual and special assessments must be fixed at a uniform rate within Class A Lot group and within Class B Lot group and may be collected on a monthly basis.

26. Date of Commencement of Annual Assessments: The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. 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.

27. Effect of Nonpayment of Assessments & Recourse Available to Association: Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of ten percent (10%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area, if any, or abandonment of his Lot.

28. Subordination of the Lien to Mortgages: The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinquish the lien of such assessments as to payments which become due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

29. Owner's Easements of Enjoyment: Every Owner shall have a right and easement of enjoyment in and to the Common Areas, if any, which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

A. The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area, if any;

B. The right of the Association to suspend the voting rights and right to use the Common Areas, if any, by an Owner for any period during which any assessment against his Lot remains unpaid, and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;

C. The right of the Association to dedicate or transfer all or any part of the Common Area, if any, to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of each class of members agreeing to such dedication or transfer has been recorded.

D. Any Owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area, if any, and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

30. Membership and Voting Rights: Every Owner of a Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

The Association shall have two classes of voting membership:

Class A Membership: Class A members shall be all Owners with the exception of the Declarant and 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 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 any Lot. The Lot owned by a Class A member shall be a Class A Lot.

Class B Membership: Class B member(s) 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 on the happening of either of the following events, whichever occurs earlier:

A. When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or;

B. On December 31, 1981.

The Lot or Lots owned by Class B Member(s) shall be Class B Lots.

31. Enforcement: The Association, the Declarant, its successors and assigns, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges 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.

32. Severability: Invalidation of any one or more of these covenants, restrictions by judgement or court order shall in no way affect any other provisions which shall remain in full force and effect.

33. Amendment: The covenants and restrictions of this Declaration shall run with and bind the land, for a term of thirty (30) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first thirty (30) year period by an instrument signed by not less than ninety percent (90%) of the Lot Owners, and thereafter may be amended or terminated by an instrument signed by not less than seventy-five percent (75%) of the Lot Owners. Any amendment must be recorded.

34. FHA/VA Approval: As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Authority and the Veterans Administration: Annexation of additional properties, dedication of Common Area, if any, and amendment of this Declaration of Covenants, Conditions and Restrictions.

35. Annexation: Additional residential property and Common Area may be annexed to the Properties with the consent of two-thirds (2/3) of each class of membership; however, upon submission and approval by FHA/VA of a general plan of the entire development, and approval of each stage of development, such additional stages of development may be annexed by the Developer without such approval by the membership.

36. It is specifically provided that a violation of any one or more of these restrictions shall not affect the lien of any mortgage or deed of trust now of record, or which may hereafter be placed of record, or other lien acquired and held in good faith upon said Lots or any part hereof, but such liens may be enforced as against any and all property covered thereby, subject nevertheless to the restrictions herein contained.

The undersigned lienholder joins in the execution of this instrument for the purpose of evidencing its consent and agreement to the placing of the above restrictions on the land described herein.

IN WITNESS WHEREOF, the parties hereto have executed this instrument as of the 17th day of OCTOBER, 1977.

HUNTERS GLEN VENTURE I

BY Gerald W. Torgesen
Gerald W. Torgesen, Vice President
LEXINGTON DEVELOPMENT COMPANY
HUNTERS GLEN VENTURE I MANAGING PARTNER

ATTEST:

John M Childs
ASST-SEC, Lexington Development Co
Hunters Glen Venture I Managing Partner

CITIBANK, N.A., NEW YORK CITY, NEW YORK

BY Lou W. David
Vice President

ATTEST:

J. McCarron