

DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS

This is to certify that this is a true
and correct copy of the original
Leo Molitor
Leo Molitor Attorney

THIS DECLARATION is made on ~~March~~ ^{June 03}, 1988, by PALM SHORES
DEVELOPMENT CO., INC., hereinafter called Developer.

W I T N E S S E T H:

WHEREAS, Developer is the owner of real property described as: All of Palm Shores Subdivision, Unit No. 1, Hidalgo County, Texas said plat being duly recorded in Volume 25, Pages 111 and 112, Map Records of Hidalgo County, Texas; and

WHEREAS, Developer desires to protect the value of the lots in the subdivision and provide for the maintenance of its open spaces and common facilities, by subjecting the subdivision, together with such property as may hereafter be added thereto (as provided in Article II below) to the covenants, restrictions, easements, charges and liens hereinafter set forth, for the benefit of said property and each owner thereof; and

WHEREAS, Developer has deemed it desirable, for the efficient preservation of the value and amenities in said community, to create an association to maintain and administer the community properties and facilities and to enforce the covenants and restrictions, rules and regulations, and collect and disburse the assessments and charges hereinafter created; and

WHEREAS, Developer will form a Texas non-profit corporation, Walker Lake Homeowners, Inc., for the purpose of exercising these functions, with all powers and rights granted to such a corporation under Texas law;

NOW, THEREFORE, the Developer declares that the real property described above, and such additions thereto as may hereafter be made pursuant to Article II hereof, is and shall be subject to the covenants, restrictions, easements, charges and liens (sometimes referred to as "covenants and restrictions") hereinafter set forth.

ARTICLE I

DEFINITIONS

Section 1. The following words when used in this Declaration shall mean:

- (a) "ASSOCIATION" shall mean Walker Lake Homeowners, Inc.
- (b) "THE PROPERTIES" shall mean all existing properties, and additions thereto, which are subject to this Declaration.
- (c) "COMMON PROPERTIES" shall mean a non-exclusive easement to use Walker Lake for recreational purposes, together with any other property right or tract of land intended to be devoted to the common use and enjoyment of the owners of the Properties, and not individually owned or intended to be individually owned.
- (d) "LOT" shall mean any lot shown on any recorded subdivision map of the Properties, except any Common Properties as defined above.
- (e) "OWNER" shall mean the record owner, whether one (1) or more entities, of the fee simple title to any Lot but, shall not mean a mortgagee unless and until such mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.
- (f) "MEMBERS" shall mean all the members of the Association as provided in Article III, Section 1 below.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION

Section 1. Existing Property. The real property which is subject to this Declaration is located in Hidalgo County, Texas, and is particularly described above.

Section 2. Addition to Existing Property. The Developer, its successors and assigns, may subject additional properties to this Declaration, by filing of record a Supplementary Declaration of Covenants and Restrictions with respect to the additional property.

Such Supplementary Declaration may contain such complementary additions and modifications of the covenants and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added properties and as are not inconsistent with the scope of this Declaration. No such Supplementary Declaration shall revoke, modify or add to the covenants established by this Declaration for Palm Shores Subdivision Unit No. 1.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Membership. Every person or entity owning a fee or undivided fee interest in any Lot which is subject by these covenants to assessment by the Association shall automatically be a Member of the Association, except that any person or entity which holds such interest

merely as security for the performance of any obligation shall not be a Member.

Section 2. Voting Rights. The Association shall have two (2) classes of voting membership:

Class A. Class A Members shall be all those owners as defined in Section 1 with the exception of the Developer. Class A Members shall be entitled to one (1) vote for each Lot in which they hold the interests required for membership by Section I. When more than one (1) person holds such interest or interests in any Lot, all such persons shall be Members, and the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any such Lot.

Class B. The Class B member shall be the Developer. The Class B Member shall be entitled to three (3) votes for each Lot in which it holds the interest required for membership by Section I until such Lot is first sold or leased, provided that the Class B Membership shall cease and become converted to Class A membership when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership.

Section 3. Members Meeting.

(a) There shall be an annual meeting of the members of the Association. The first annual meeting will be held no later than fifteen (15) days prior to the date on which the Common Properties are scheduled to be conveyed to the Association, as provided by Article IV, Section 2 hereof, but may be called at an earlier date by the Developer, and the Developer will notify all Members at least ten (10) days in advance of the exact date, time and place. Subsequent annual meetings will be called by the Board of Directors as provided for in the Bylaws.

(b) The initial Board of Directors shall serve until the first annual meeting, at which time a new Board will be elected by the majority vote of Members voting. The Board of Directors shall consist of at least three (3) and not more than nine (9) persons, as determined by Members voting at the first annual meeting, and subsequently as provided in the Bylaws.

(c) The Board of Directors shall be responsible for the affairs of the Association and shall adopt such Bylaws and regulations as are necessary to carry out its functions, but cannot adopt Bylaws or regulations which are contrary to the provisions of this Declaration.

ARTICLE IV

PROPERTY RIGHTS IN THE COMMON PROPERTIES

Section 1. Members' Easements of Enjoyment. Every Member shall have a right and easement to use and enjoy, in common with others, the Common Properties, as herein designated, and such easement shall be appurtenant to and shall pass with the title to every Lot. In addition, each lakefront lot owner shall have an exclusive easement to use and enjoy that portion of the shore of Walker Lake situated to the rear of his lot and bounded by his side property lines, as extended, and such easement shall be appurtenant to and shall pass with the title of every lakefront lot.

Section 2. Title to Common Properties. The Developer may retain the legal title to the Common Properties until such time as it has completed improvements thereon and until such time as, in the opinion of the Developer, the Association is able to maintain the same, but notwithstanding any provision herein, the Developer hereby covenants for itself, its successors and assigns, that it shall convey the Common Properties to the Association not later than the date on which 75% of all Lots in Palm Shores Subdivision Unit No. 1 and in such other properties as are made subject to this Declaration pursuant to Article II, Section 2 hereof are sold.

ARTICLE V

CONVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Owners for Assessments. The Developer, for each Lot owned by it with the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed thereof, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association in Hidalgo County, Texas, (1) monthly assessments or charges;

(2) special assessments for capital improvements; such assessments to be fixed, established and collected from time to time as hereafter provided. The monthly and special assessments, together with such late charges and costs of collection as hereinafter provided, shall be a charge on the land and shall be a continuing lien on the property against which such assessment is made. Each such assessment, together with late charges and costs of collection, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. No Owner shall be exempt from paying any assessment by waiver of the use of or enjoyment of the Common Properties or by the abandonment of his Lot or interest therein.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents of the Properties and in particular to improve and maintain the properties, services, and facilities devoted to this purpose and related to the use and enjoyment of the Common Properties, including the front entrance, subdivision signs and attendant landscaping.

Section 3. Monthly Assessments. Until the first annual meeting of Members, the monthly assessments on each Lot belonging to a Member other than Developer, shall be Five and No/100 (\$5.00) Dollars, beginning on the first day of the month following the date of purchase. At the first annual meeting of the Members, and thereafter, the monthly assessment may be changed by vote of the Members, as hereinafter provided.

Section 4. Special Assessments for Capital Improvements. In addition to the monthly assessments authorized by Section 3 hereof, the Association may levy in any assessment year a special assessment, applicable to that year only, to defray, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Properties, including the necessary fixtures and personal property related thereto. Any special 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, written notice of which shall be sent to all Members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

Section 5. Change in Amount of Monthly Assessments. The Association may change the amount of the monthly assessments (prospectively) for any period, but any such change 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, written notice of which shall be sent to all Members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

Section 6. Quorum for any Action Authorized under Section 4 and 5. The quorum required for any action authorized by Section 4 and 5 hereof, shall be as follows:

At the first meeting called, the presence at the meeting of Members, or of proxies, entitled to cast sixty (60) percent of all the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirements of Sections 4 and 5, and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting, provided that no such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 7. Date of Commencement of Special Assessment. The due date of any special assessment under Section 4 hereof shall be fixed in the resolution authorizing such assessment.

Section 8. Duties of the Board of Directors. The Association shall upon demand at any time furnish to any Owner liable for assessments a certificate in writing signed by an officer of the Association, setting forth whether any and all assessments have been paid. The certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 9. Non-Payment of Assessments; Remedies of the Association. If the assessments are not paid on the date when due, then such assessments shall become delinquent and shall, together with late charges and costs of collection, thereupon become a continuing lien on the property until paid. The personal obligation of the Owner to pay such assessment, however, shall not pass to his successors in title unless expressly assumed by them.

The Board of Directors of the Association may by resolution impose a uniform late charge on any assessment not paid within ten (10) days of its due date.

In the event a judgment is obtained such judgment shall include interest on the assessment at the maximum rate permitted by law, reasonable attorney's fee to be fixed by the Court, and Court costs.

Section 10. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages now or hereinafter placed upon the Properties subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such property pursuant to a foreclosure or any proceeding in lieu of foreclosure. Such sale or transfer shall not relieve such property from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment.

ARTICLE VI

ARCHITECTURAL CONTROL COMMITTEE

Section 1. Review by Committee. No building, fence, wall or other structure shall be built or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made, until the plans and specifications showing the nature, dimensions, materials, and location of the same shall have been submitted to and approved in writing by the Architectural Control Committee as to harmony of exterior design and location in relation to surrounding structures and topography. Until the Common Properties are conveyed to the Association by the Developer as provided in Article IV, Section 2 hereof, the Developer shall serve as the Architectural Control Committee. If the Committee, or a designated representative, fails to give written approval or disapproval within thirty (30) days after plans and specifications have been submitted to it, the provisions of the Article will be deemed to have been fully complied with.

Within ten (10) days after conveyance of the Common Properties to the Association, the Board of Directors of the Association shall appoint a committee of at least three (3) individuals who are members of the Association to act as and carry on the functions and duties of said

Architectural Control Committee for such term or terms and in such manner as the Board of Directors shall direct. Any two (2) members will constitute a quorum and the vote of any two (2) members will control the action of the committee.

ARTICLE VII

TEMPORARY ADMINISTRATION BY DEVELOPER

Until such time as the first annual meeting of the members of the Association is held, the Developer, as Temporary Administrator, shall exclusively act as and represent, and shall have all the authority, powers, functions, obligations and duties of the Association. The Developer shall render this service without compensation to it for such services. After the first annual meeting, the Association shall assume the authority and responsibilities granted it hereunder which had theretofore been exercised by the Developer as Temporary Administrator.

ARTICLE VIII

COVENANTS AND RESTRICTIONS

Section 1. Covenants and Restrictions on Lots.

(a) Land Use. All lots except Lots 91 and 92 (Common Area) shall be used for residential purposes only, and no building shall be erected, altered or placed or permitted to remain on any lot other than one (1) single family dwelling and appropriate outbuildings. Residences on Lots 1 through 70, 100, 101, 140 through 226, and Lots A through K shall be of conventional on-site construction, or modular or pre-built construction. Residences on Lots 71 through 90, and 114 through 139 shall be of conventional, modular or prebuilt construction, or mobile homes. Residences on Lots 93 through 99, 102, 103 and 109 through 113 may be of any type listed above or may also consist of recreational vehicles.

(b) Minimum Floor Area and Exterior Walls. Any residence constructed on Lots 1 through 70, 100, 101, 140 through 226 and Lots A through K must have a heated/cooled area of at least 800 square feet, exclusive of open or screened porches, terraces, patios, driveways, carports, and garages. The front exterior walls of any residence of conventional, modular or pre-built construction shall consist of not less

than fifty (50%) percent brick or stone veneer or blocks covered with stucco.

(c) Set Backs. Minimum front and rear building setback lines shall be those shown on the recorded plat of the subdivision. Side setback lines shall be five (5) feet on all Lots.

(d) Fences. Chain link fences, solid wood or other attractive privacy fences no higher than six (6) feet are permitted within the front and rear setback lines only. Property lines outside the setback lines may be marked by low hedges or other barriers no more than two (2) feet high.

(e) Animals. No animals, livestock, or poultry of any kind except dogs, cats, or other household pets may be kept on any Lot or Common Properties for any commercial purpose. Pets must not constitute a nuisance or cause detriment to neighbors, and must be controlled by a fence or leash.

(f) Signs. No signs larger than 2' by 2 1/2' are permitted.

(g) Other Buildings. No structure of a temporary character, truck body, basement, tent, shack, garage, or barn shall at any time be used as a residence.

(h) Used Buildings. No used structure shall be moved onto any residential lot.

(i) Rentals. Renting to roomers or to a second family occupying the same Lot at the same time is prohibited.

(j) Existing Trees. No trees are to be removed from any Lot or Common Area without the Architectural Control Committee's approval.

(k) Mobile Homes. Mobile homes are allowed on mobile home or recreational vehicle lots only. Mobile homes and RVs shall be fully skirted and attractively landscaped. Any used mobile home or RV must be approved by the Architectural Control Committee before being placed on a lot.

(l) Yard Appearance. All lots shall be attractively landscaped and kept in a sanitary, healthful and attractive condition. The owner or occupant of a Lot shall keep all weeds and grass thereon cut and shall not use any lot to store material and equipment except for normal residential requirements, and shall not burn any garbage, trash or rubbish. All clothes lines, yard equipment, lawn tractors, implements, woodpiles or

storage piles shall be kept screened so as to conceal them from view of neighboring lots, streets or other property. If the owner or occupant fails to keep the weeds and grass cut, then the Association may have the Lot mowed, and the cost of mowing shall be paid by the Lot's owner on demand, and if not so paid, shall be a continuing lien on the Lot, which may be foreclosed by the Association in the same manner as the lien for unpaid assessments.

(m) Required Improvements. Each lot owner shall construct a minimum concrete parking area for two (2) vehicles (16' x 24' or equivalent) and a connecting sidewalk to the residence. Each lakefront Lot owner shall, in addition, construct a seawall along the lakeshore at the location specified by the Architectural Control Committee, within two (2) years after purchase.

(n) Garbage Cans. No garbage containers shall be placed in public view except on those days scheduled for garbage and refuse collection.

(o) Vehicles. No inoperative motor vehicle may be kept upon a lot unless it is concealed from public view nor shall it be kept on the Common Property or any dedicated street.

(p) Nuisances. No noxious or offensive activity shall be permitted on any Lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

ARTICLE IX

Section 1. Duration. The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, or the Owner of any land subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a term of five (5) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of five (5) years unless an instrument signed by the then owners of two-thirds (2/3) of the Lots has been recorded, amending said covenants and restrictions in whole or in part. No such amendment shall be effective unless recorded one (1) year before the effective date thereof, and unless written notice of the

proposed amendment is sent to every Owner at least ninety (90) days in advance of the date of execution of the amendment.

Section 2. Notices. Any notice required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postage prepaid, to the last known address of the person who appears as a Member or Owner on the records of the Association at the time of such mailing.

Section 3. Enforcement. Either the Association or the Owner of any land subject to these Declarations may enforce these covenants and restrictions against any person or persons violating or attempting to violate the same by any means provided under Texas law. Failure by the Association or any Owner to enforce any covenant or restriction herein contained shall not be deemed a waiver of the right to do so thereafter.

Section 4. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect the remainder thereof, which shall remain in full force and effect.

ARTICLE X

Any provision contained herein may be amended by a vote of two-thirds (2/3) of the Members of the Association.

Palm Shores Development Co. Inc.

By: G. W. Ellis
G. W. Ellis, President

STATE OF TEXAS

COUNTY OF HIDALGO

This instrument was acknowledge before me on the _____ day of _____, 1988 by G. W. Ellis, President of Palm Shores Development Co., Inc., a Texas corporation, on behalf of said corporation.

Notary Public
In and for the County of Hidalgo
State of Texas

My Commission expires _____