

K J M, INC. TO THE PUBLIC

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

STATE OF TEXAS X
 COUNTY OF GUADALUPE X

KJM, INC., hereinafter called "Declarant", is the owner in fee simple of certain real property located in Guadalupe County, Texas, and known by official plat designation as Lots 1 through 39, Woodlake Unit One, as per Map or Plat recorded in Volume 4, Page 108-10, in the Map Records of Guadalupe County, Texas.

For the purpose of enhancing and protecting the value, attractiveness and desirability of the lots or tracts constituting such subdivision, declarant hereby declares that all of the real property described above and each part thereof shall be held, sold, and conveyed only subject to the following easements, covenants, conditions, and restrictions, which shall constitute covenants running with the land and shall be binding on all parties having any right, title, or interest in the above described property or any part thereof, their heirs, successors, and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

Sec. 1. "Association" shall mean and refer to KJM Homeowners Association, Inc., its successors and assigns.

Sec. 2. "Common area" shall mean all real property owned by the association for the common use and enjoyment of the owners, together with any additional real property which may be subsequently conveyed to the association. The common area to be owned by the association at the time of conveyance of the first lot is Lot One, Block One, Woodlake Unit One, as per Map or Plat thereof recorded at Volume 4, Page 108-10 Map Records, Guadalupe County, Texas.

Sec. 3. "Declarant" shall mean KJM, INC., and its successors and assigns.

Sec. 4. "Lot" shall mean any numbered plot of land shown on the recorded subdivision map referred to above with the exception of the common area.

Sec. 5. "Maintenance" shall mean the exercise of reasonable care to keep buildings, roads, landscaping, lighting, and other related improvements and fixtures in a condition comparable to their original condition, normal wear and tear excepted. Maintenance of landscaping shall further mean the exercise of generally accepted garden management practices necessary to promote a healthy, weedfree environment for optimum plant growth.

Sec. 6. "Member" shall mean every person or entity who holds membership in the association.

Sec. 7. "Mortgage" shall mean a conventional mortgage or deed of trust.

Sec. 8. "Mortgagee" shall mean a holder of a conventional mortgage or a beneficiary under or holder of a deed of trust.

Sec. 9. "Owner" shall mean the record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of the property, and shall include contract buyers, but shall not include those holding title merely as security for performance of an obligation.

Sec. 10. "Subdivision" shall mean the subdivided real property herein described and such additions thereto as may be brought within the jurisdiction of the association as hereinafter provided.

ARTICLE II

MEMBERSHIP IN ASSOCIATION; VOTING RIGHTS

Sec. 1. Every owner of a lot shall be a member of the association; membership shall be appurtenant to and may not be separated from ownership of a lot.

Sec. 2. The association shall have two classes of VOTING MEMBERS AS FOLLOWS:

Class A.: Class A members shall be all owners with the exception of declarant, and shall be entitled to one vote for each lot owned. When more than one person holds an interest in a given lot, all such persons shall be members and the vote for such lot shall be exercised as they may determine among themselves. In no event shall more than one vote be cast with respect to any lot owned by Class A members.

Class B.: The Class B member shall be declarant, who shall be entitled to exercise three (3) votes for each lot owned. The Class B membership shall cease and be 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.

ARTICLE III

ASSESSMENTS

Sec. 1. Lien and Personal Obligation of Assessments.

Declarant hereby covenants for each lot within the subdivision, and each owner of a lot is hereby deemed to covenant by acceptance of his deed or covenant for such lot, whether or not it shall be so expressed in his deed, to pay to the association (1) annual assessments and (2) special assessments for capital improvements. Such assessments will be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorneys' fees, shall be a charge on the land and a continuing lien on each lot against which such an assessment is made. Each such assessment, together with interest, costs, and reasonable attorneys' fees shall also be the personal obligation of the person or persons who owned the lot at the time the assessment fell due.

Sec. 2. Purpose of Annual Assessments. The annual assessments levied by the association shall be used exclusively to promote the health, safety, welfare and recreation of

the residents in the subdivision, and for the improvement and maintenance of the common areas and of the homes situated within the subdivision. Annual assessments shall include, and the association may acquire and pay for out of funds derived from annual assessments, the following:

(a) Maintenance and repair of the common area.

(b) Water, sewer, garbage, electrical, lighting, telephone, gas, and other necessary utility service for the common area.

(c) Acquisition of furnishings and equipment for the common area as may be determined by the association, including without limitation all equipment, furnishings, and personnel necessary or proper for use of the recreational facilities.

(d) Maintenance and repair of storm drains, sanitary sewers, and private streets within the confines of the subdivision, if any such storm drains, sanitary sewers, and private streets are not dedicated to the general public in such a way as to become the responsibility of some local governing authority.

(e) Fire insurance covering the full insurable replacement value of the common area with extended coverage.

(f) Liability insurance insuring the association against any and all liability to the public, to any owner, or to the invitees or tenants of any owner arising out of their occupation and/or use of the common area. The policy limits shall be set by the association, and shall be reviewed at least annually and increased or decreased in the discretion of the association.

(g) Workmen's compensation insurance to the extent necessary to comply with applicable law, and any other insurance deemed necessary by the board of directors of the association.

(h) A standard fidelity bond covering all members of the board of directors of the association and all other employees of the association in an amount to be determined by the board of directors.

(i) Any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations, insurance, taxes, or assessments which the association is required to secure or pay pursuant to the terms of this declaration or by law, or which shall be necessary or proper in the opinion of the board of directors of the association for the operation of the common areas, for the benefit of lot owners, or for the enforcement of these restrictions.

Sec. 3. Maximum Annual Assessment.

(a) Until December 31, 1981, the maximum annual assessment shall be One Hundred Dollars (\$100) per lot.

(b) From and after January 1, 1982, the maximum annual assessment may be increased each year not more than ten percent (10%) above the maximum assessment for the previous year, without a vote of the members.

(c) The board of directors of the association may fix the annual assessment at an amount not in excess of the maximum.

Sec. 4. 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 on the common area, including fixtures and personal property related thereto. Any such assessment must be approved by a majority of each class of members.

Sec. 5. Notice and Quorum for Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized by Sections 3 or

4 shall be sent to all members not less than ten (10) days nor more than thirty (30) days in advance of such meeting. In the event the proposed action is favored by a majority of the votes cast at such meeting, but less than the requisite majority of each class of members, members who were not present in person or by proxy may give their assent in writing within sixty (60) days after the date of such meeting.

Sec. 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all lots.

Sec. 7. Commencement and Collection of Annual Assessments. The annual assessments provided for herein shall commence as to all lots on January 1, 1979. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The board of directors shall fix the amount of the annual assessment against each lot at least thirty (30) days in advance of the due date thereof and shall fix the dates such amounts become due. Assessments may be made payable monthly. Notice of the annual assessments shall be sent to every owner subject thereto. The association shall, on demand and for a reasonable charge, furnish a certificate signed by an officer of the association, setting forth whether the assessment against a specific lot has been paid, and shall, on or before February 15th of each year, cause to be recorded in the office of the county clerk of Guadalupe County, Texas, a list of delinquent assessments as of that date.

Sec. 8. Effect of Nonpayment of Assessments; Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall be deemed in default and 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 may foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the common area or abandonment of his lot.

Sec. 9. Subordination of Assessment Lien to Mortgages.

The assessment lien provided for herein shall be subordinate to the lien of any first mortgage. A sale or transfer of any lot shall not affect the assessment lien. However, the sale or transfer of any lot pursuant to a mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the assessment lien 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.

ARTICLE IV

PROPERTY RIGHTS

Sec. 1. Owner's Easements of Enjoyment. Every owner of a lot shall have a right and easement of enjoyment in and to the common area which shall be appurtenant to and shall pass with the title to such lot, subject to the following rights of the association:

(a) The right to charge reasonable admission and other fees for the use of any recreational facility situated within the common area;

(b) The right to suspend the right of use of recreational facilities and the voting rights of any owner for periods during which assessments against his lot remain unpaid, and the right, after hearing by the board of directors, to suspend such rights for a period not exceeding sixty (60) days for any infraction of the published rules and regulations of the association;

(c) The right to dedicate or transfer all or any part of the common area to any municipality, public agency,

authority, or utility for such purposes and subject to such conditions as may be agreed upon by the members. No such dedication or transfer shall be effective unless an instrument executed by two-thirds (2/3rds) of each class members agreeing to such dedication or transfer has been duly recorded.

Sec. 2. Delegation of Use. Subject to such limitations as may be imposed by the bylaws, each owner may delegate his right of enjoyment in and to the common areas and facilities to the members of his family, his guests, tenants, and invitees.

Sec. 3. Other Easements.

(a) Easements for installation and maintenance of utilities and drainage facilities are shown on the recorded subdivision map. Within these easements, no structure, planting, or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may damage, interfere with, or change the direction of flow of drainage facilities in the easements. The area of each lot and all improvements therein shall be continuously maintained by the owner of such lot, except for improvements for maintenance of which a public authority or utility company is responsible.

(b) No dwelling unit or other structure of any kind shall be built, erected, or maintained on any such easement, reservation, or right of way, and such easements, reservations, and rights of way shall at all times be open and accessible to public and quasi-public utility corporations, their employees and contractors, and shall also be open and accessible to declarant, its successors and assigns, all of whom shall have the right and privilege of doing whatever may be necessary in, on, under, and above such locations to carry out any of the purposes for which such easements, reservations, and rights of way are reserved.

Sec. 5. Right of Entry. The association, through its duly authorized employees and contractors, shall have the right after reasonable notice to the owner thereof, to enter any lot at any reasonable hour on any day to perform such maintenance as may be authorized herein.

Sec. 6. No Partition. There shall be no judicial partition of the common area, nor shall declarant, or any owner or any other person acquiring any interest in the subdivision or any part thereof, seek judicial partition thereof. However, nothing contained herein shall be construed to prevent judicial partition of any lot owned in cotenancy.

ARTICLE V

USE RESTRICTIONS

The subdivision shall be occupied and used only as follows:

✓Sec. 1. Each lot shall be used as a residence for a single family and for no other purpose.

Sec. 2. No business of any kind shall be conducted on any residence with the exception of the business of declarant and the transferees of declarant in developing all of the lots as provided in Section 11, below.

Sec. 3. No noxious or offensive activity shall be carried on in or on any lot with the exception of the business of declarant and the transferees of declarant in developing all of lots as provided in Section 11, below.

Sec. 4. No sign of any kind shall be displayed to public view on a lot or the common area without the prior written consent of the association, except customary name and address signs and lawn signs.

Sec. 5. Nothing shall be done or kept on a lot or on the common area which would increase the rate of insurance relating thereto without the prior written consent of the association, and no owner shall permit anything to be done or kept on his lot or the common area which would result in

the cancellation of insurance on any residence or on any part of the common area, or which would be in violation of any law.

Sec. 6. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any lot or on the common area. However, dogs, cats, and other household pets may be kept on lots subject to such rules and regulations as may be adopted by the association, so long as they are not kept, bred, or maintained for commercial purposes.

Sec. 7. No rubbish, trash, garbage, or other waste material shall be kept or permitted on any lot or on the common area except in sanitary containers located in appropriate areas concealed from public view.

Sec. 8. No fence, hedge, wall, or other dividing instrumentality over eight (8) feet in height measured from the ground on which it stands shall be constructed or maintained on any lot.

Sec. 9. No outbuilding, basement, tent, shack, garage, trailer, shed, or temporary building of any kind shall be used as a residence either temporarily or permanently.

Sec. 10. Nothing shall be altered, constructed on, or removed from the common area except on the written consent of the association.

Sec. 11. Declarant or the transferees of declarant shall undertake the work of developing all lots included within the subdivision. The completion of that work, and the sale, rental, or other disposal of residential units is essential to the establishment and welfare of the subdivision as an ongoing residential community. In order that such work may be completed and the subdivision be established as a fully occupied residential community as soon as possible, nothing in this declaration shall be understood or construed to:

(a) Prevent declarant, declarant's transferees, or the employees, contractors, or subcontractors of declarant or declarant's transferees from doing on any part or parts of the subdivision owned or controlled by declarant or declarant's transferees or their representatives, whatever they determine may be reasonably necessary or advisable in connection with the completion of such work;

(b) Prevent declarant, declarant's transferees, or the employees, contractors, or subcontractors of declarant or declarant's transferees from constructing and maintaining on any part or parts of the subdivision property owned or controlled by declarant, declarant's transferees, or their representatives, such structures as may be reasonably necessary for the completion of such work, the establishment of the subdivision as a residential community, and the disposition of lots by sale, lease, or otherwise;

(c) Prevent declarant, declarant's transferees, or the employees, contractors, or subcontractors of declarant or declarant's transferees from conducting on any part or parts of the subdivision property owned or controlled by declarant or declarant's transferees or their representatives, the business of completing such work, of establishing the subdivision as a residential community, and of disposing of lots by sale, lease, or otherwise; or

(d) Prevent declarant, declarant's transferees, or the employees, contractors, or subcontractors of declarant or declarant's transferees from maintaining such sign or signs on any of the lots owned or controlled by any of them as may be necessary in connection with the sale, lease, or otherwise of subdivision lots.

As used in this section, the words "its transferees" specifically exclude purchasers of lots improved with completed residences.

ARTICLE VI

OWNERS' OBLIGATION TO REPAIR AND MAINTAIN

Each owner shall, at his sole cost and expense, repair his residence, keeping the same in a condition comparable to the condition of such residence at the time of its initial construction, excepting only normal wear and tear.

Grass, weeds and vegetation on each lot sold shall be kept mowed at regular intervals so as to maintain the same in a neat and attractive manner. Trees, shrubs, vines and plants which die shall be promptly removed from property. Structures shall be maintained and painted regularly to keep the premises in neat order. KJM, Inc., or KJM Homeowners Association, Inc., may at its option have the grass, weeds and vegetation cut when and as often as the same is necessary in its judgment, and have dead trees, shrubs and plants removed from the property, and have structures painted and maintained when and as often as the same is necessary in its judgment and the owner of such lot shall be obligated to pay for the cost of such work.

ARTICLE VII

ANNEXATION OF ADDITIONAL PROPERTY

Additional residential property and common area may be annexed to the subdivision on the affirmative vote of a majority of the association. A majority of each class shall not be required.

ARTICLE VIII

ARCHITECTURAL CONTROL

Sec. 1. Approval. No building shall be erected, placed or altered on any lot until the construction plans and specifications and a plan showing the location of the structure has been approved by the Architectural Control Committee as to quality of workmanship and materials, harmony of external design with existing structures, and as to location with respect to to topography and finish grade

elevation. No fence or wall shall be erected, placed or altered on any lot nearer to any street than the minimum building setback line unless similarly approved. Approval shall be as provided below.

Sec. 2. Dwelling Quality and Size. No dwelling exclusive of open porches, garages, carports and patios shall be permitted on any lot unless the ground floor area of the main structure, exclusive of one story open porches and garages, shall be not less than 1500 square feet for a one story dwelling, nor less than 2,000 square feet for a dwelling of more than one story. No existing dwelling shall be moved onto any lot in the subdivision. The exterior walls of the first story must contain a minimum of 60% stucco, brick or stone unless this requirement is waived by the Architectural Control Committee.

Sec. 3. Building Location. No building shall be located on any lot nearer than forty (40) feet to the front lot line or nearer than eight (8) feet to any side lot line nor nearer than forty (40) feet from the lake. For the purposes of this covenant, eaves, steps and open porches shall not be considered as a part of the building provided, however, that this shall not be construed to permit any portion of a building on a lot to encroach upon another lot.

Sec. (4). Membership. The Architectural Control Committee is composed of James W. Kirksey, III, Richard L. Jones, and Edwin M. Jones, Jr. A majority of the Committee may designate a representative to act for it. In the event of death or resignation of any member of the Committee, the remaining members shall have full authority to designate a successor. At any time, KJM Homeowners Association, Inc., by a proper vote, shall have the power to change the membership of the Committee or to withdraw from the Committee or restore to it any of its powers and duties.

Sec. 5. Procedure. The Architectural Control Committee's approval or disapproval as required in these covenants shall be in writing. Plans and specifications must be submitted to the Committee within thirty (30) days prior to commencement of construction.

ARTICLE IX

GENERAL PROVISIONS

Sec. 1. Enforcement. Declarant, the association, or any owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, easements, reservations, liens, and charges now or hereafter imposed by the provisions of this declaration. Failure by declarant, the association, or by any owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Sec. 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

Sec. 3. Subordination. No breach of any of the conditions herein contained or reentry by reason of such breach shall defeat or render invalid the lien of any mortgage made in good faith and for value as to the subdivision or any lot therein; provided, however, that such conditions shall be binding on any owner whose title is acquired by foreclosure, trustee's sale, or otherwise.

Sec. 5. 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 any member thereof for a period of twenty (20) years from the date hereof and thereafter shall continue automatically in effect for additional periods of ten (10) years, unless otherwise agreed in writing by the then owners of at least

three-quarters (3/4ths) of the subdivision lots.

Executed this 26th day of February, 1979.

KJM, INC.
By James W. Kirksey III
James W. Kirksey, III
President

ATTEST:
Richard Jones
Secretary

THE STATE OF TEXAS }
COUNTY OF GUADALUPE }

BEFORE ME, the undersigned authority, on this day personally appeared JAMES W. KIRKSEY, III, President of KJM, INC., a corporation, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated, as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 27th day of February, 1979.



Faye Talley
Notary Public in and for
Guadalupe County, Texas

FAYE TALLEY
Notary Public in and for
Guadalupe County, Texas.
My commission expires
4-30-79

THE STATE OF TEXAS }
County of Guadalupe }

I, FRANK SCHMIDT, Clerk of the County Court in

and for said County, do hereby certify that the foregoing instrument of writing dated the 26 day of February, 1979, with its certificates of authentication, was filed for Record in my office the 6 day of March, 1979, at 3:00 o'clock P. M., and duly recorded the 9 day of March, 1979, at 9:28 o'clock A. M., in DEED Record of said County in Vol. 573, on Pages 395-409.

WITNESS my hand and the seal of the County Court of said County, at office in Seguin, Texas, the day and year last written above.
By Josephine Blumenthal Deputy
FRANK SCHMIDT, Clerk
County Court, Guadalupe County.