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PARK GLEN-PHASE 2
ASSOCIATION DECLARATION

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This Park-Glen Phase 2 Association Declaration (this "Declaration") is made as of the 11th day of February, 1993, by Hillwood/Park Glen, Ltd., a Texas limited partnership ("Declarant").

Declarant is in the process of developing certain real property located in Tarrant County, Texas and described in the attached Exhibit "A" (the "Property"). The Property is located in the Fort Worth Public Improvement District No. 4, which District was approved by the City of Fort Worth, Texas, to construct, install and maintain special supplemental improvements (including, but not limited to, landscaping, fencing, and irrigation) in the non-paved portions of public rights of way (including easements adjacent thereto), parks, open spaces and other public easements located in the District. The Enhanced Public Improvements are in addition to the public improvements and services that normally would be provided by the City. It is contemplated that costs of the Enhanced Public Improvements will be paid from special assessments levied by the City against property located in the District.

Declarant desires to create an entity to perform on behalf of, and as agent for, the Owners the functions set forth in this Declaration and that will have the authority to make assessments in the event (i) no special assessments or inadequate special assessments are levied by the City; (ii) the District is dissolved, terminated or otherwise fails to function; (iii) the City fails to approve the annual budgets recommended by the District; (iv) the annual budgets recommended by the District are inadequate; (v) the District does not perform or inadequately performs all of the functions set forth in this Declaration; or (vi) this Declaration otherwise so provides for such assessments.

NOW, THEREFORE, Declarant adopts, establishes and imposes the following covenants, liens and charges upon the Property and declares that the Property and all portions thereof are and shall be held, transferred, sold, conveyed, used and occupied subject to such covenants, liens and charges.

ARTICLE I
GENERAL

SECTION 1.01. DEFINITIONS. The following words or phrases when used in this Declaration, unless the context otherwise indicates or requires, shall have the following meanings:

a. "Assessments" shall have the meaning set forth in Section 3.01 hereof.

b. "Association" shall mean the non-profit corporation to be created under the laws of the State of Texas under the name "Park Glen-Phase 2 Association, Inc." or such other name as may from time to time be selected by Declarant.

c. "Association Documents" shall mean the Articles of Incorporation and the Bylaws of and resolutions adopted by the Association.

d. "Board" shall mean the Board of Directors of the Association.

e. "City" shall mean the City of Fort Worth, Texas.

f. "Common Expenses" shall mean:

(i) in the event no assessments are ever levied by the City to construct, install and maintain the Enhanced Public Improvements, all costs and expenses incurred by the Association to construct, install and maintain the Enhanced Public Improvements to the extent and standards of quality determined by the Board to be appropriate;

(ii) in the event the District is dissolved, terminated or otherwise fails to function, all costs and expenses incurred by the Association to construct, install and maintain the Enhanced Public Improvements to the same extent and to the same quality existing prior to such dissolution, termination or failure, but in no event less than to the same extent and to the same standards of quality determined by the Board to be appropriate;

(iii) in the event the City fails to approve the annual budgets recommended by the District, all costs and expenses incurred by the Association to construct, install and maintain the Enhanced Public Improvements to the full extent represented by the District's annual budgets;

(iv) in the event the Association determines that the District's annual budgets are inadequate to construct, install and maintain the Enhanced Public Improvements, all costs and expenses incurred by the Association to construct, install and maintain the Enhanced Public Improvements to the extent and

standards of quality determined by the Board to be appropriate;

(v) all costs incurred by the Association in providing one or more security guards (and any incidental booths, gates or other security equipment) deemed necessary by the Association to provide enhanced security for the Property;

(vi) all costs incurred by the Association in enforcing some or all recorded restrictive covenants (or other similar such restrictions) that affect all or a portion of the Property; and

(vii) all other costs and expenses necessary to manage, operate and perform the duties and functions of the Board and the Association set forth in this Declaration and to establish a reasonable reserve fund as determined by the Board.

g. "Conversion Date" shall mean the date on which Declarant and all affiliates of Declarant own in the aggregate less than 25% of the area comprising the Property (exclusive of Streets). Any Person owned or controlled by Declarant, by any Partner of Declarant or by any Person owning or controlling any Partner of Declarant, shall be considered an "affiliate" of Declarant for purposes of this definition.

h. "Declarant" shall mean Hillwood/Park Glen Ltd., a Texas limited partnership, and such successors or assigns to whom rights and powers expressly reserved herein to Declarant are conveyed or assigned in writing, but excluding any Person merely purchasing one or more Parcels from Declarant.

i. "Declaration" shall mean this Park Glen-Phase 2 Association Declaration and any amendments or modifications thereto filed in the Real Property Records of Tarrant County, Texas.

j. "Default Rate of Interest" means the lesser or (i) 15% per annum, or (ii) the maximum allowable contract rate of interest under applicable law.

k. "District" shall mean the Fort Worth Public Improvement District No. 4 approved by the City in Resolution No. 1829 adopted by the City Council on May 26, 1992.

l. "Enhanced Public Improvements" shall mean enhanced public improvements constructed, installed and

maintained in the unpaved public rights of way of Streets now or hereafter located in the Property (together with the unpaved easements adjacent to such present or future rights of way or other public easements), parks and other open spaces including, but not limited to, the construction, installation, and maintenance of special supplemental landscaping, special supplemental fencing and special supplemental irrigation systems located within the Property.

m. "Majority Vote of the Members" shall have the meaning set forth in Section 2.04 hereof.

n. "Majority Vote of the Class A Members" shall have the meaning set forth in Section 2.04 hereof.

o. "Member" shall have the meaning set forth in Section 2.01 hereof.

p. "Member in Good Standing" shall have the meaning set forth in Section 2.02 hereof.

q. "Non-Member Owners" shall have the meaning set forth in Section 2.01 hereof.

r. "Notice of Unpaid Assessments" shall have the meaning set forth in Section 3.07 hereof.

s. "Owner" shall mean each Person (other than the Association) who is a record owner of a fee simple interest in any Parcel, but excluding any Person who holds only a lien or interest in the Parcel as security for the performance of any obligation.

t. "Parcel" shall mean any parcel of land located in the Property.

u. "Person" shall mean any natural person, corporation, partnership, trust, or other entity.

v. "Property" shall mean the real property described in Exhibit A attached hereto.

w. "Regular Assessments" shall have the meaning set forth in Section 3.02 hereof.

x. "Special Group Assessments" shall have the meaning set forth in Section 3.03 hereof.

y. "Special Owner Assessments" shall have the meaning set forth in Section 3.04 hereof.

z. "Streets" shall mean any land located in an easement or right of way dedicated for public use for motor vehicles.

Other terms used in this Declaration are defined in various provisions hereof.

SECTION 1.02. PROPERTY SUBJECT TO DECLARATION. All of the Property, and any right, title or interest therein, shall be owned, used, held, leased, sold and conveyed by Declarant, and any subsequent Owner of all or any part thereof, subject to this Declaration and the covenants, charges and liens set forth herein.

ARTICLE II
MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

SECTION 2.01. MEMBERSHIP. Each Owner, including Declarant, automatically is a member of the Association ("Member"), except for the following which are considered "Non-Member Owners": (i) the City shall not be a Member unless it owns property other than Streets or public easements; (ii) any public school district shall not be a Member unless it owns property other than that used as a public school; and (iii) any utility shall not be a Member unless it owns property other than utility easements. Except for Non-Member Owners, membership in the Association is appurtenant to, and cannot be separated from, ownership of a Parcel. Any transfer of title to any Parcel shall automatically transfer (or, in cases of a transfer by a Non-Member Owner, automatically vest) membership in the Association to the new Owner unless the new Owner is a Non-Member Owner. The term "Owner" as hereinafter used in this Declaration does not include any Non-Member Owner.

SECTION 2.02. MEMBER IN GOOD STANDING. A Member shall be a "Member in Good Standing" and eligible to vote if such Member:

a. has, at least ten days prior to the taking of any vote by the Association, fully paid all Assessments and other sums due and owing to the Association as provided herein or in the Association Documents;

b. does not have a Notice of Unpaid Assessments filed by the Association against any Parcel owned by such Member; and

c. has discharged all other duties and obligations to the Association as provided herein or in the Association Documents.

The Board may determine the good standing of any Member at any time and shall make such determination with respect to all Members prior to any vote being taken by the Association. The Board may waive the 10-day prior payment requirement and require only that such payment be made before such vote is taken. Any Member not declared by the Board to be Member in Good Standing shall not be entitled to vote on matters before the Association until Member in Good Standing status is attained and so declared by the Board.

SECTION 2.03. VOTES OF MEMBERS. The Association shall have two classes of Members.

a. **Class A. "Class A Members"** shall be all Members including Declarant. Class A Members shall be entitled to vote as set forth in the attached Exhibit B. For the purpose of this section and for any other reason that acreage or other area is necessary to be determined under this Declaration, the Board shall determine the acreage contained in the Property and the acreage or applicable area contained in specific parcels thereof. If a Parcel is owned by more than one Member, the number of votes attributable to the Parcel shall be the same as if there were only one owner, and the votes attributable to the Parcel may be cast only if, prior to the time of the vote in question, all Members who own the Parcel have delivered to the Association a written agreement setting forth how such votes are to be cast or designating one of such Members to cast all the votes attributable to such Parcel. Any Member who is not a natural person must designate to the Board in writing a representative who has the authority to represent such Member in Association matters and the authority to cast all votes of such Member. A Member may delegate its right to vote to any tenant occupying the Parcel owned by such Member provided such delegation is made in writing to the Board.

b. **Class B. The sole "Class B Member"** shall be Declarant. The Class B Member shall be entitled to a number of votes equal to 101% of the aggregate of all votes eligible to be cast by Class A Members; provided, however, the Class B membership shall cease on the Conversion Date, and Declarant thereafter shall only be a Class A Member for so long as Declarant owns any portion of the Property.

SECTION 2.04. QUORUM, VOTING, AND NOTICES. Members holding 25% of the aggregate votes entitled to be cast by all Members in Good Standing, all of whom shall be represented at a meeting of the Members in person or by legitimate proxy in a form approved by the Board, shall constitute a quorum for voting on matters brought before the Members at meetings of

the Association called by the Board. A majority of those votes entitled to be cast by the Members in Good Standing present or voting by legitimate proxy at a called meeting at which a quorum of Members in Good Standing is present shall be the act of the Members so meeting. Notice requirements for all actions of the Association which require approval by its Members shall be as set forth in the Association Documents. The term "Majority Vote of the Members" as used herein means, at the time such vote is taken, the vote of Members in Good Standing holding, in the aggregate, a majority of the votes eligible to be cast by all of the Members in Good Standing present or voting by legitimate proxy at a called meeting at which a quorum of Members in Good Standing is present. Some of the provisions of Articles III and IV below require a vote of the Class A Members only. Therefore, the term "Majority Vote of the Class A Members" as used herein means, at the time such vote is taken, the vote of Class A Members in Good Standing holding, in the aggregate, a majority of the votes eligible to be cast by all of the Class A Members in Good Standing.

ARTICLE III **ASSESSMENTS**

SECTION 3.01. COVENANTS FOR ASSESSMENTS. The Owner of a Parcel, by acceptance of a deed or other conveyance document (whether or not any agreement to pay Assessments is included in such deed or document), shall be deemed to covenant and agree to pay to the Association, or to any Person designated by the Association, each and all of the following assessments (collectively, the "Assessments"):

- a. Regular Assessments as provided in Section 3.02 hereof;
- b. Special Group Assessments as provided in Section 3.03 hereof; and
- c. Special Owner Assessments as provided in Section 3.04 hereof.

All Assessments shall remain the Property of the Owner making such payment and shall be expended by the Association on behalf of the Owners only for the specified purposes provided in this Declaration. No profit, gain or other benefit is to be derived by the Association from the Assessments, but, instead, such funds shall be expended only as agent for the Owners. All services contemplated to be paid from Assessments shall be obtained by the Association on behalf of the Owners. Upon termination of the Association, all Assessments held at that time by the Association shall be allocated and returned

to the Owners in the same manner as votes are allocated among Class A members as provided in Section 2.03a above.

SECTION 3.02. REGULAR ASSESSMENTS. "Regular Assessments" shall be determined, allocated, and expended for 12-month periods that coincide with the annual budget periods of the District, and each such 12-month period shall constitute a fiscal year of the Association. In the event there is no annual District budget period, the fiscal year of the Association shall be a calendar year. Regular Assessments shall be used to pay Common Expenses. Regular Assessments for each fiscal year of the Association shall be set by the Board 30 days prior to the expiration of the preceding fiscal year, or as soon thereafter as reasonably possible. In the event the City, for any reason has not made any District assessments prior to the time that the Board determines that Regular Assessments are necessary for the payment of Common Expenses, the Board may levy Regular Assessments and allocate same among the Owners in the manner and proportion described in the attached Exhibit "B". The Board also shall have the right at any time to levy Regular Assessments to pay Common Expenses not paid or scheduled to be paid by District assessments, to be allocated among the Owners in the manner and proportion set forth in the attached Exhibit "B". Notwithstanding anything to the contrary contained herein, unless approved by a Majority Vote of the Class A Members, for a period of six years from the date hereof, Regular Assessments levied for any year following a year in which Regular Assessments were levied for all of the Common Expenses (a year in which no District assessments were made) shall not exceed in the aggregate 110% of such prior year's Regular Assessments. Should a surplus from Assessments exist at the end of any fiscal year, the Board shall reduce the next year's Regular Assessments by an amount equal to such excess.

SECTION 3.03. SPECIAL GROUP ASSESSMENTS. With the approval of a Majority Vote of the Class A Members, the Board may levy at any time by written notice to the Owners "Special Group Assessments" to pay Common Expenses or any unanticipated expenses that normally would have been paid by Regular Assessments. Special Group Assessments shall be allocated among Owners (including Declarant) in the same manner as Regular Assessments are allocated.

SECTION 3.04. SPECIAL OWNER ASSESSMENTS. The Board may levy at any time by written notice to an Owner "Special Owner Assessments" against such Owner to pay the costs and expenses resulting from damage to or loss of the Enhanced Public Improvements if such damage or loss is determined by the Board to have been caused, directly or indirectly, by the acts or omissions of such Owner, or its agents, employees, occupants or visitors.

SECTION 3.05. DUE DATE OF ASSESSMENT. Regular Assessments shall be payable annually within 30 days after an invoice is delivered by the Association to an Owner; provided, however, the Board may require payment of Regular Assessments more frequently than annually. The due date of any Special Group Assessment or Special Owner Assessment shall be fixed in the written notice levying such Assessment; provided, however, such due date shall not be earlier than 15 days after the date of such notice. Each Owner, if requested by any holder of a first lien on the Parcel owned by such Owner, shall pay any Assessments to such lien holder as a part of the escrow amounts included in monthly mortgage payments.

SECTION 3.06. PERSONAL OBLIGATION FOR PAYMENT OF ASSESSMENTS. The Assessments shall be personal obligations of the Owner(s) of each Parcel. No Owner may exempt himself from liability for Assessments. In the event an Owner does not pay an Assessment in full when due, such Owner shall pay interest on such unpaid Assessment from the due date until paid at the Default Rate of Interest together with all costs and expenses of collection incurred by the Association, including, but not limited to, reasonable attorneys' fees. The Board may reject any partial payment and demand full payment, or the Board may accept partial payment without waiving any rights to the remaining balance. The obligation of the Owner(s) to pay Assessments with respect to a parcel made for any period of time that an Owner owns the parcel shall remain the personal obligation of such Owner(s), and such obligation shall not pass to transferees from such Owners unless expressly assumed by such transferees; provided, however, the lien for Assessments provided for below shall be unaffected by the transfer of any ownership interest in a Parcel. In the event of any transfer of any ownership interest in a Parcel, it shall be the obligation of the transferring Owner(s) to disclose the existence of all sums due and owing the Association to the transferee, the title company designated to handle such transaction, the financing entity, and any other party involved in such transaction, and such disclosure shall be given in writing at least 15 days before the date on which such transaction is to be consummated. A copy of such disclosure shall also be sent to the Association at the same time. A former Owner shall not be liable for Assessments made with respect to a parcel after such person no longer is the Owner of such parcel.

SECTION 3.07. ASSESSMENT LIEN AND FORECLOSURE. All unpaid Assessments, together with interest from the due date until paid at the Default Rate of Interest and together with the costs and expenses of collection incurred by the Association, including, but not limited to, reasonable attorneys' fees, shall be secured by a continuing contractual lien against the affected Parcel, which lien shall bind such

Parcel and the Owner thereof and their heirs, successors, devisees, personal representatives and assignees. The aforesaid contractual lien shall attach to each Parcel as of the date this Declaration is recorded in the Deed Records of Tarrant County, Texas, and shall be superior to all liens other than (a) a deed of trust or mortgage lien against the Parcel, (b) any sale and leaseback agreement or lease and subleaseback agreement whereby an Owner transfers the parcel and simultaneously acquires a possessory interest under a lease from, or other agreement with, the transferee, and (c) the lien securing real estate taxes; provided, however, the liens described in (a) and (b) above shall be inferior and subordinate to the lien provided for in this Section 3.07 to the extent of any unpaid Assessments set forth in a Notice of Unpaid Assessments (hereinafter defined) recorded prior to the date of such liens described in (a) or (b) above. The Association shall have the power to subordinate any Assessment lien to any other lien. ALL PARCELS ARE CONVEYED AND ACCEPTED BY THE OWNER THEREOF SUBJECT TO THE ASSESSMENT LIEN PROVIDED IN THIS SECTION 3.07. SUCH LIEN HAS ATTACHED TO THE PROPERTY AND ALL PARCELS AND PRECEDES AND IS SUPERIOR TO ANY HOMESTEAD RIGHTS THAT MAY BE ASSERTED BY ANY PURCHASERS OF PARCELS SUBSEQUENT TO THE DATE OF THE RECORDING OF THIS DECLARATION IN THE DEED RECORDS OF TARRANT COUNTY, TEXAS. To evidence unpaid Assessments, the Association may prepare a written notice of unpaid Assessments (the "Notice of Unpaid Assessments") setting forth the amount of the unpaid Assessments, the amount of interest owed thereon computed at the Default Rate of Interest from the due date until paid, the amount of costs and expenses of collection incurred by the Association, including, but not limited to, reasonable attorneys' fees, the name of the Owner of the affected Parcel and a description of the affected Parcel. Such notice shall be recorded in the Real Property Records of Tarrant County, Texas. The Association shall record a release of any recorded Notice of Unpaid Assessments when all amounts set forth therein have been paid in full. The lien for payment of Assessments may be enforced by judicial foreclosure or by nonjudicial foreclosure through a public sale in accordance with Section 51.002, Texas Property Code, as amended. In addition, the Association may institute suit against the Owner of the affected Parcel to obtain a judgment for all sums due and owing the Association. The Association may purchase any Parcel at foreclosure and may acquire, hold, lease, mortgage, convey or otherwise deal with such Parcel. Upon the written request of any mortgagee holding a prior lien on any Parcel, the Association shall report to said mortgagee any unpaid Assessments then owing to the Association with respect to such Parcel.

**ARTICLE IV
ASSOCIATION BOARD OF DIRECTORS**

SECTION 4.01. CREATION OF BOARD. The Association shall be governed by the Board elected by a Majority Vote of the Members. The size and composition of the Board, its method of election, and its duties and authorities shall be as provided herein and in the Association Documents. The Board shall exist and function solely for the benefit of the Property, the Association, and the Members.

SECTION 4.02. USE OF ASSESSMENT FUNDS. The Board shall be responsible for the setting, collection and disbursement of Assessments. The Board shall have the authority to spend Assessment funds for:

- a. the payment of Common Expenses;
- b. the employment of personnel, consultants or contractors to manage and operate the Association; provided, however, the directors of the Association shall not receive any compensation for serving in such capacity;
- c. the purchase of a policy or policies of insurance insuring the Association and its directors, officers, employees and representatives against any liability incident to the management and operation of the Association, including any liability incident to the failure to provide any security services as contemplated by this Declaration;
- d. the purchase of fidelity bonds as provided herein;
- e. the payment of general and administrative costs necessary for the management and operation of the Association or for the enforcement of this Declaration or the Association Documents; and
- f. the payment of costs incurred in the exercise and performance by Association and its directors, officers, employees and representatives of their authorities, duties and rights set forth herein.

SECTION 4.03. ADDITIONAL AUTHORITIES AND DUTIES OF THE BOARD. The Board shall have the following additional authorities and duties, including the right to expend Assessment funds to pay the costs thereof:

- a. to enter into agreements or contracts on behalf of the Association;

b. to borrow funds, secured by an assignment or pledge of Assessments if required, necessary for the management and operation of the Association;

c. to maintain one or more bank accounts in the name of the Association;

d. to sue or to defend in any court on behalf of the Association;

e. to make, or cause to be made, any tax returns, reports, or other filings on behalf of the Association;

f. To adjust the amount of, collect, and use insurance proceeds for the purposes for which they were intended, and, if said insurance proceeds are insufficient, to provide full reimbursement through the imposition of Special Group Assessments or Special Owner Assessments, whichever is applicable, subject to obtaining the approval of a Majority Vote of the Class A Members as set forth in Section 3.03 and Section 3.04 above;

g. to enforce the provisions of this Declaration and the Association Documents;

h. to maintain books and records with respect to the business of the Association and with respect to the levy, collection, receipt, administration, expenditure, and disposition of Assessments and other funds of the Association in accordance with sound accounting practices, and to permit any Owner to inspect and copy the same upon reasonable notice during normal business hours at an office of the Association or the Declarant;

i. to indemnify the City against losses resulting from acts or omissions of the Association and those for whom the Association is responsible;

j. to remove or repair, as an expense of the Association, any improvements erected and owned by the Association that fall into a state of disrepair as to create a hazard to the public safety as determined by the City; and

k. to perform such other duties and functions as are necessary to carry out the rights and obligations of Association.

SECTION 4.04. AFFILIATED CONTRACTS. The Board may contract with any Owner, including, without limitation, Declarant, for performance of services which the Association

is obligated or authorized to perform. All such contracts shall be at competitive rates then prevailing for such services and upon such other terms and conditions, and for such consideration, as the Board considers advisable and in the best interest of the Association provided the level of service received is consistent with that available from unrelated third parties.

SECTION 4.05. LIABILITY LIMITATIONS. No Owner, or director, officer, employee or representative of the Association, shall be personally liable for the debts, obligations or liabilities of the Association, regardless of how such debts, obligations or liabilities are evidenced. The directors, officers, employees and representatives of the Association shall not be liable for any act or omission (even if such act or omission constitutes negligence) unless such act or omission constitutes willful misconduct or bad faith, and, to the extent not covered by insurance, the Association shall indemnify and hold harmless such directors, officers, employees and representatives from and against any and all cost, expense, loss or liability, including, but not limited to, reasonable attorneys' fees, suffered or incurred by such persons as a direct or indirect result of their having served the Association in their respective capacities. The cost of the indemnity set forth above may be allocated among the Owners as a Special Group Assessment or a Special Owner Assessment, whichever is applicable. The right to indemnification set forth above shall not be exclusive of any other rights to which a director, officer, employee or representative may be entitled at law or in equity. Neither the Association nor any director, officer, employee or representative of the Association shall have any liability because of the failure of the Association to provide enhanced security for the Property, it being understood that each Owner (and each employee, lessee and invitee) is responsible for its own security and the Association (and any director, officer, employee and representative thereof) shall have no liability therefor.

SECTION 4.06. INSURANCE. The Association may obtain and maintain (a) liability insurance covering directors, officers, employees and representatives of the Association and any and all portions of the Enhanced Public Improvements, in such coverage, amounts and with such endorsements the Board considers to be necessary and reasonable; (b) errors and omissions insurance for directors, officers, employees and representatives of the Association; and (c) fidelity bonds for directors, officers, employees and representatives of the Association. All insurance policies shall be issued by financially sound companies licensed to do business in Texas. The Association shall use net insurance proceeds for the purpose the insurance was obtained, and any proceeds still

remaining shall be deposited by the Association in its reserve fund. Should insurance proceeds be insufficient to fully satisfy any loss or damage, the Association may levy a Special Group Assessment or a Special Owner Assessment, whichever is applicable, to cover such deficiency.

ARTICLE V
GENERAL PROVISIONS

SECTION 5.01. BINDING EFFECT AND DURATION. The provisions hereof shall run with and bind all Parcels, shall be binding on all Owners and occupants of all Parcels, and shall inure to the benefit of and be enforceable by Declarant, the Association and the Owners and the respective heirs, executors, legal representatives, successors and assigns of the Declarant, the Association and the Owners, and shall be and remain in effect for a period of 50 years from the date this Declaration is recorded in the Real Property Records of Tarrant County, Texas.

SECTION 5.02. INTERPRETATION. The provisions hereof shall be liberally interpreted and, if necessary, be extended or enlarged by implication to make them fully effective. The Board shall resolve all questions arising under or in connection with this Declaration or the Association Documents and shall construe and interpret their provisions. Any determination, construction or interpretation made by the Board, in the absence of an adjudication by a court of competent jurisdiction that such action was an abuse of discretion, shall be binding on the Owners. The provisions hereof shall be given full force and effect notwithstanding the existence of any zoning ordinance, building codes or other applicable regulations which are less restrictive. The effective date of this Declaration shall be the date it is recorded in the Real Property Records of Tarrant County, Texas. The captions of each Article and Section hereof are inserted only for convenience and are not intended to be used to define, limit, extend or otherwise modify the Article or Section to which they refer. The singular wherever used herein shall be construed to mean the plural when applicable and vice versa, and the use herein of any gender shall mean any other gender when applicable. The exhibits referred to herein and attached hereto are made a part hereof by reference. This Declaration shall be construed under and in accordance with the laws of the State of Texas.

SECTION 5.03. AMENDMENTS. This Declaration may be amended or terminated, in whole or in part, by a Majority Vote of the Members; provided, however, (a) until the Conversion Date, no amendment or termination shall be effective without the written approval of Declarant and the U.S. Department of Housing and Urban Development ("HUD"); and (b) Declarant,

without the joinder of any other party, may make minor changes or amendments to this Declaration to correct or clarify errors, omissions, mistakes or ambiguities contained herein or to make any changes required by HUD or any other governmental agency. No amendment or termination shall be effective until a written instrument setting forth the terms thereof has been executed by the parties whose approval is required as set forth above and has been recorded in the Real Property Records of Tarrant County, Texas.

SECTION 5.04. ENFORCEMENT. Declarant, the Association and the Owners shall have the right, but not the obligation, to enforce the provisions hereof. Enforcement may be made by proceedings at law or in equity. The rights, powers and remedies provided hereunder shall be cumulative, and the exercise by any party of any particular right, power or remedy shall not be deemed an election of remedies and shall not preclude such party from resorting to other rights, powers or remedies. With respect to any litigation hereunder or under the Association Documents, the prevailing party shall be entitled to recover reasonable attorneys' fees and court costs from the non-prevailing party.

SECTION 5.05. NO WAIVER OR OBLIGATION TO ENFORCE. No delay or failure by an aggrieved party to invoke any right, power or remedy available to it for a breach of this Declaration or the Association Documents shall be considered a waiver by that party of such right, power or remedy upon the recurrence or continuance of said breach or the occurrence of a different breach. Neither Declarant nor the Association, or their respective officers, directors, employees or representatives shall be obligated to take any action to enforce this Declaration or the Association Documents.

SECTION 5.06. LIENS/VALIDITY AND SEVERABILITY. A default by an Owner under this Declaration or the Association Documents with respect to a Parcel in which such Owner has an interest shall not affect the validity of any mortgage, lien or other security interest affecting such Parcel that existed prior to the date of such default. Invalidation of any provision hereof by a judgment or court order shall not affect any other provisions hereof. In the event any portion of this Declaration conflicts with mandatory provisions of any ordinance or regulation enacted or adopted by any governmental authority, such ordinance or regulation shall control.

SECTION 5.07. OWNER INFORMATION. Each Owner shall furnish to the Association written notice of a street address for receiving notices pursuant hereto and pursuant to the Association Documents. Each Owner shall notify the Association in writing of the name and address of all Persons occupying any Parcel in which such Owner has an interest. It

HILLWOOD/PARK GLEN, LTD., a Texas limited partnership

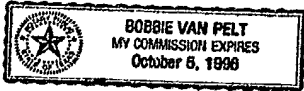
By: Hillwood Holding Corporation, a Texas Corporation, General Partner

By: J. Michael Poss
J. Michael Poss,
President

THE STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on this 21 day of January, 1993, by J. Michael Poss, President of Hillwood Holding Corporation, a Texas corporation, as General Partner of Hillwood/Park Glen, Ltd., a Texas limited partnership, on behalf of said partnership.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS 21 DAY OF JANUARY, 1993.



My commission expires: 10/5/96

Bobbie Van Pelt
Notary Public in and for
the State of Texas
Bobbie Van Pelt
(Printed Name of Notary)

NOTARY PUBLIC IN AND FOR THE STATE OF TEXAS

shall be the responsibility of the Owner (and of any occupant of a Parcel) to keep such information current and to advise the Association of any changes. Absent any other written notice, notices to an Owner may be sent to a Street address of the Parcel owned by such Owner.

SECTION 5.08. NOTICES. Any notice required herein or in the Association Documents to be given shall be deemed to have been given when hand delivered with written evidence of receipt or when deposited in the United States Mail, postage prepaid, certified or registered mail, return receipt requested, addressed, (a) for notice to an Owner, to the address of the Owner as shown on the records of the Association at the time of such mailing, and (b) for notice to Declarant or the Association, to 1700 Lakeside Square, 12377 Merit Drive, Dallas, Texas 75231, or to such other address specified by Declarant or the Association in a document recorded for such purpose in the Real Property Records of Tarrant County, Texas.

SECTION 5.09. MORTGAGEES. The holder of a mortgage affecting a Parcel shall, upon written request to the Association, be notified in writing by the Association of any default (under this Declaration or the Association Documents) by the Owner of the mortgaged Parcel, and such mortgage holder shall have the right to cure such default within the times herein provided for cure by the Owner.

SECTION 5.10 ACTIONS OF THE DECLARANT, BOARD, AND ASSOCIATION. Wherever the phrases "the Declarant may", "the Board may", or "the Association may" appear in this Declaration, such phrases shall mean, respectively, "the Declarant shall have the right and authority, in its sole discretion", "the Board shall have the right and authority, in its sole discretion", and "the Association shall have the right and authority, in its sole discretion." Wherever this Declaration provides for a determination, decision, consideration, opinion, belief, judgment, declaration or other similar action to be given or rendered by the Declarant, the Board or the Association, such determinations, decisions, considerations, opinions, beliefs, judgments, declarations or other actions shall be given or rendered in the sole discretion of the Declarant, the Board or the Association, as the case may be, unless this Declaration or the Association Documents specifically provide to the contrary.

IN WITNESS WHEREOF, Declarant, has caused this instrument to be executed as of the 21 day of January, 1993.

HILLWOOD/PARK GLEN, LTD., a Texas limited partnership

By: Hillwood Holding Corporation, a Texas Corporation, General Partner

By: J. Michael Poss
J. Michael Poss,
President

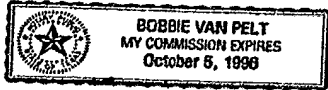
THE STATE OF TEXAS

§
§
§

COUNTY OF DALLAS

This instrument was acknowledged before me on this 21 day of January, 1993, by J. Michael Poss, President of Hillwood Holding Corporation, a Texas corporation, as General Partner of Hillwood/Park Glen, Ltd., a Texas limited partnership, on behalf of said partnership.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS 21 DAY OF JANUARY, 1993.



Bobbie Van Pelt
Notary Public in and for
the State of Texas

My commission expires:
10/5/96

Bobbie Van Pelt
(Printed Name of Notary)

NOTARY PUBLIC IN TEXAS
1993

EXHIBIT "A"
DESCRIPTION OF THE PROPERTY

BEING two parcels of land situated in the William Evans Survey, Abstract No. 467, the James C. Bradford Survey, Abstract No. 140, the Heirs of W. W. Thompson Survey, Abstract No. 1498, the Nancy Ann Robert Survey, Abstract No. 1275, the Phillip Green Survey, Abstract No. 566 and the Eli W. Shriver Survey, Abstract No. 1455, Tarrant County, Texas and being all or Tract 1 and a portion of Tract 3 of Hillwood/Park Glen, Ltd. and recorded in Volume 9357, Page 344, County Records, Tarrant County, Texas, and being more particularly described by metes and bounds as follows:

PARCEL "A"

BEGINNING at the most southerly southeast corner of Tract 3 of said Hillwood/Park Glen, Ltd.;

THENCE S89°34'02"W, 1608.78 feet to the most southerly southwest corner of said Tract 3;

THENCE along the westerly line of said Tract 3, Hillwood/Park Glen, Ltd., the following bearings and distances.

N00°03'00"E, 729.20 feet;

N45°08'00"E, 210.48 feet;

N40°00'00"W, 155.11 feet to the beginning of a curve to the right;

794.32 feet along the arc of said curve to the right through a central angle 40°08'00", a radius of 1134.00 feet and a long chord of N19°56'00"W, 778.18 feet;

N00°08'00"E, 863.08 feet;

N89°52'00"W, 425.00 feet;

N00°23'10"E, 1101.68 feet;

N89°46'34"W, 692.20 feet;

N89°35'34"W, 304.93 feet;

N00°07'59"E, 70.14 feet to the beginning of a curve to the left;

398.15 feet along the arc of said curve to the left through a central angle of 31°15'00", a radius of 730.00 feet and a long chord of N15°29'30"W, 393.24 feet;

N31°07'00"W, 197.03 feet to the beginning of a curve to the right;

306.14 feet along the arc of said curve to the right through a central angle of 31°31'25", a radius of 556.43 feet, and a long chord of N15°21'18"W, 302.30 feet;

N00°24'25"E, 257.91 feet;

S89°29'35"E, 2141.97 feet;

N45°35'34"E, 23.37 feet;

S89°29'35"E, 356.46 feet;

THENCE S89°29'35"E, 36.23 feet, leaving the westerly line of said Tract 3, Hillwood/Park Glen, Ltd. to a point in the westerly line of Phase I, Park Glen Addition as recorded in Cabinet "A" Slide No. 391, said County Records;

THENCE along the westerly line of said Phase I, Park Glen Addition, the following bearings and distances:

S49°46'26"E, 88.43 feet;

S55°31'05"E, 96.17 feet to the beginning of a non-tangent curve to the left;

381.11 feet along the arc of said non-tangent curve to the left through a central angle of 14°48'15", a radius of 1475.00 feet and a long chord of S12°54'30"W, 380.05 feet;

N84°29'38"W, 107.51 feet;

South, 331.38 feet;

S39°21'39"E, 159.74 feet;

S49°42'00"W, 168.56 feet;

S18°19'20"W, 94.83 feet;

S38°39'47"E, 168.31 feet;

S23°08'38"E, 198.69 feet;

S39°00'00"E, 118.53 feet to the beginning of a non-tangent curve to the left;

429.12 feet along the arc of said non-tangent curve to the left through a central angle of 65°33'51", a radius of 375.00 feet and a long chord of S02°46'55"W, 406.08 feet;

S30°00'00"E, 4.18 feet to a point in the northerly right-of-way line of Basswood Boulevard, the beginning of a non-tangent curve to the right;

THENCE 135.98 feet along the arc of said non-tangent curve to the right through a central angle of 03°19'46", a radius of 2340.00 feet and a long chord of S64°00'36"W, 135.96 feet;

THENCE S24°19'31"E, 120.00 feet crossing said Basswood Boulevard to a point in its southerly right-of-way line;

THENCE S06°31'50"E, 193.10 feet;

THENCE S53°28'10"E, 299.80 feet;

THENCE S30°00'00"E, 240.00 feet;

THENCE S08°47'38"W, 176.98 feet;

THENCE S02°51'51"E, 263.13 feet;

THENCE S08°53'00"E, 297.47 feet;

THENCE S33°00'00"W, 260.00 feet;

THENCE S15°20'00"E, 138.71 feet;

THENCE S57°00'00"E, 125.50 feet;

THENCE S00°36'16"W, 176.77 feet;

THENCE S17°32'19"W, 257.49 feet;

THENCE S44°10'24"E, 816.34 feet to the POINT OF BEGINNING and containing 170.776 acres of land, more or less.

PARCEL "B"

BEGINNING at a point in the southerly line of Tract 1 of said Hillwood/Park Glen, Ltd., said point being N89°36'00"W, 1444.82 feet from the southeast corner of said Tract 1;

THENCE along the southerly, westerly, and northerly boundary line of said Tract 1, the following bearings and distances:

N89°36'00"W, 2586.58 feet;

N00°28'56"E, 1100.60 feet;

N00°13'50"E, 2643.55 feet;

S48°42'58"E, 162.97 feet;

N89°52'51"E, 1141.20 feet;

N89°55'24"E, 1309.95 feet;

N89°45'13"E, 1391.30 feet;

THENCE N89°25'00"E, 1262.69 feet;

THENCE N00°05'51"W, 798.37 feet to a point in the existing southerly right-of-way line of Wall Price Road;

THENCE S89°45'54"E, 1233.77 feet along said southerly right-of-way line to a point in the easterly line of Tract 1, Hillwood/Park Glen, Ltd.;

THENCE S00°01'21"W, 3175.59 along the easterly line of Tract 1, Hillwood/Park Glen, Ltd.

THENCE S55°00'00"W, 661.12 feet to the beginning of a curve to the right;

THENCE 260.82 feet along the arc of said curve to the right through a central angle of 12°06'36", a radius of 1234.00 feet and a long chord of S61°03'18"W, 260.33 feet;

THENCE S67°06'36"W, 153.43 feet to the beginning of a curve to the right;

THENCE 135.56 feet along the arc of said curve to the right through a central angle of 06°21'59", a radius of 1220.00 feet and a long chord of S70°17'35"W, 135.49 feet;

THENCE S80°35'41"W, 10.49 feet;

THENCE S80°50'00"W, 324.98 feet;

THENCE S85°16'31"W, 160.48 feet;

THENCE S82°50'00"W, 220.80 feet to the beginning of a curve to the left;

THENCE 193.08 feet along the arc of said curve to the left through a central angle of $73^{\circ}44'58''$, a radius of 150.00 feet and a long chord of $S45^{\circ}57'31''W$, 180.02 feet;

THENCE $N77^{\circ}05'42''W$, 50.08 feet;

THENCE $N80^{\circ}54'58''W$, 129.86 feet;

THENCE $N88^{\circ}18'16''W$, 109.82 feet;

THENCE $N79^{\circ}48'20''W$, 45.38 feet;

THENCE $N68^{\circ}12'43''W$, 68.36 feet;

THENCE $N75^{\circ}42'14''W$, 104.20 feet;

THENCE $N89^{\circ}36'00''W$, 213.12 feet;

THENCE $N73^{\circ}17'57''W$, 102.34 feet;

THENCE $S24^{\circ}00'00''W$, 119.24 feet;

THENCE $N74^{\circ}55'53''W$, 50.61 feet;

THENCE $N66^{\circ}00'00''W$, 120.00 feet;

THENCE $S24^{\circ}00'00''W$, 8.82 feet;

THENCE $N66^{\circ}00'00''W$, 120.00 feet;

THENCE $S89^{\circ}26'34''W$, 54.97 feet;

THENCE $S26^{\circ}29'02''W$, 79.97 feet;

THENCE $N60^{\circ}34'46''W$, 117.06 feet;

THENCE $S24^{\circ}00'00''W$, 50.73 feet;

THENCE $N89^{\circ}51'58''W$, 112.52 feet to the beginning of a curve to the right;

THENCE 30.54 feet along the arc of said curve to the right through a central angle of $08^{\circ}44'53''$, a radius of 200.00 feet and a long chord of $N04^{\circ}30'27''E$, 30.51 feet to the beginning of a curve to the right;

THENCE 452.41 feet along the arc of said curve to the right through a central angle of $10^{\circ}07'32''$, a radius of 2560.00 feet and a long chord of $N79^{\circ}49'12''W$, 451.83 feet;

THENCE $S17^{\circ}02'42''W$, 245.43 feet to the beginning of a curve to the left;

THENCE 403.98 feet along the arc of said curve to the left through a central angle of $20^{\circ}40'32''$, a radius of 1119.50 feet and a long chord of $S06^{\circ}42'26''W$, 401.79 feet to the POINT OF BEGINNING and containing 506.635 acres of land, more or less.

SAVE AND EXCEPT THE LOTS DESCRIBED ON EXHIBIT "A-1" ATTACHED HERETO.

EXHIBIT A-1

PARK GLEN PHASE VII, SECTION 1

	<u>Lot</u>	<u>Block</u>
John and Cheryl Walsh 7604 Parkside Trail Fort Worth, Texas 76137	2	79
Carol Rankin 7608 Parkside Trail Fort Worth, Texas 76137	3	79
Told and Rene Garrett 7613 Parkside Trail Fort Worth, Texas 76137	4	78
Steve and Judy Graving 7617 Parkside Trail Fort Worth, Texas 75137	5	78
Len and Nancy Spadoni 4912 Parkside Way Fort Worth, Texas 76137	7	78
Artie and Kerry Fredrick 4900 Parkside Way Fort Worth, Texas 76137	9	78
Jeff and Amie Johnson 4901 Parkside Way Fort Worth, Texas 76137	10	78
Mike and Karon Scruggs 4905 Parkside Way Fort Worth, Texas 76137	11	78
Mike and Sherri Spinelli 4921 Parkside Way Fort Worth, Texas 76137	15	78
George and Monica Brown 4816 North Cascades Fort Worth, Texas 76137	20	85
Ed and Dean Johanson 4800 North Cascades Fort Worth, Texas 76137	16	85
Jamie Cashion 4817 North Cascades Fort Worth, Texas 76137	47	86

	<u>Lot</u>	<u>Block</u>
Nick and Debbie Albracht 4809 North Cascades Fort Worth, Texas 76137	49	86
"projected to close in December"		
Jeff and Andrea Boutelle 4916 Parkside Way Fort Worth, Texas 76137	6	78
Richard Neil 4749 North Cascades Fort Worth, Texas 76137	54	86
Chris and Carol Archer 4757 North Cascades Fort Worth, Texas 76137	52	86
Bob and Cynthia Aicklen 4925 Parkside Way Fort Worth, Texas 76137	16	78
David and Annette Winwick 4804 North Cascades Fort Worth, Texas 76137	17	84
Terry and Beverly Wygal 4753 North Cascades Fort Worth, Texas 76137	53	86
Jason and Claudia Mitchell 4917 Parkside Way Fort Worth, Texas 76137	14	78
David and Kathy Thompson 4757 North Cascades Fort Worth, Texas 76137	52	86

EXHIBIT "B"

1. The votes of the Class A Members shall be calculated based upon the category of each Parcel. Each Parcel on which there is built a single family home or townhome shall be entitled to one vote. Each Parcel on which there is built a condominium complex shall be entitled to one vote multiplied by the number of condominium units on such Parcel. Each Parcel on which there is built a retail or commercial establishment shall be entitled to five votes per acre. Each Parcel on which there is built a multi-family complex shall be entitled to one vote for each 3 living units on such Parcel. All other Parcels shall be entitled to four votes per every one acre. Fractional voting is permissible. The Board shall have the right and power to designate the category of a Parcel in the event of a dispute.
2. Regular Assessments shall be based on the category of each Parcel, with each Owner being responsible for a portion of the aggregate Regular Assessments equal to a fraction, the numerator of which is the number of Class A votes entitled to be cast by such Owner and the denominator of which is the aggregate number of eligible Class A votes. For purposes of this paragraph only, each Owner shall be deemed a Member in Good Standing.

HUGHES & LUCE
1717 MAIN #2800
DALLAS, TX. 75201

10944 1744

D193027150
HUGHES & LUCE
1717 MAIN #2800
DALLAS, TX 75201

-W A R N I N G-T H I S I S P A R T O F T H E O F F I C I A L R E C O R D--D O N O T D E S T R O Y

F I L E D -- T A R R A N T C O U N T Y T E X A S
S U Z A N N E H E N D E R S O N -- C O U N T Y C L E R K
O F F I C I A L R E C E I P T

T O: HUGHES & LUCE

RECEIPT NO	REGISTER	PRINTED DATE	TIME
193117283	DR96	02/10/93	14:30

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1	D193027150	WD	930210	14:30	CA

T O T A L : D O C U M E N T S : 01 F E E S : 56.00

B Y:  _____

ANY PROVISION WHICH RESTRICTS THE SALE RENTAL OR USE
OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE
IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

10944 1745