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DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS, & RESTRICTIONS

FOR SALE AND OWNERSHIP OF BENT TREE SUBDIVISION

STATE OF TEXAS §

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COUNTY OF BURNET

KNOW ALL MEN BY THESE PRESENTS:

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THAT WHEREAS, FRANK ZERMENO and BENT TREE CONSTRUCTION, LTD called the Declarants, are the owners of the BENT TREE SUBDIVISION located in Burnet County, Texas described as follows:

Being 212.13 acres, more or less, comprised of 130 94 acres of the John Smith Survey, Abstract No. 796, 66.32 acres of the William M Spitler Survey, Abstract No. 1344, 13 55 acres of the Abram Lamb Survey, Abstract No. 577, 1 32 acres of the Matthias Hirchpold Abstract No 408, being all of a 119.15 acre tract, as described in a deed from Hector Jesus Sanchez Romero, to Francisco J. Zermeno, as recorded in Document Number 000048, of the Official Public Records of Burnet county, Texas, and a portion of a 109.42 acre tract, as described in a deed from Clifton Earl Hilliard, and spouse Janet K Hillard, to Francisco J. Zermeno, as recorded in Document Number 002122 of the Official Public Records of Burnet County, Texas, and all of two tracts, a 50 foot wide tract, and a 10 foot wide tract, of land as described in a deed from Stacey D. Cox and wife Linda S Cox, to Francisco J Zermeno, as recorded in Document Number 0709450, of the Official Public Records of Burnet County, Texas and being more particularly described in EXHIBIT "A" attached hereto.

WHEREAS, the Declarants, for the purpose of carrying out a uniform plan for the sale and ownership of small acreage areas, hereinafter referred to as Tracts, do hereby make, declare, adopt, and impose upon the above described real property, the following covenants, conditions, easements, restrictions, and limitations which shall apply to and become a part of all legal instruments whereby title or possession to any portion of said land is hereafter conveyed or transferred, such covenants, conditions, easements, restrictions, and limitations to run with the land and to be binding upon an inure to the benefit of all parties, now or hereafter, owning or using the above described property or any portion thereof, their heirs, executors, successors and assigns.

ARTICLE I DEFINITIONS

1.01 Tract "Tract or Tracts" shall mean any portion of the above described property.

1.02 Owner "Owner" shall mean and refer to the record owner, whether one or more persons, or entities, of a fee simple title to any Tract in said above described property, but excluding those having such interest merely as security for the performance of an obligation

<u>1.03</u> <u>Declarant</u></u> "Declarant" shall mean and refer to Bent Tree Construction, LTD its successors and assigns, and Frank Zermeno, his successors and assigns

1.04 Property "Property" shall mean any portion of the above described property

<u>1.05</u> Association "Association" shall mean and refer to the ASSOCIATION OF OWNERS AT BENT TREE SUBDIVISION, and its successors and assigns.

ARTICLE II RESTRICTIONS

2.01 <u>Residential and Commercial Use:</u> Tracts shall be for residential use. No Tract shall be used for a commercial purpose or business which requires frequent public access to the property or gives the property a commercial appearance. This shall not exclude small home-based or workshop types of business which are not obstructive to the other Owners.

2.02 <u>Manufactured Housing:</u> No manufactured housing shall be placed or allowed on any Tract. No recreational vehicles (commonly called "RV's") shall be placed or allowed on any Tract and used as a residence

2.03 Construction: All homes and other structures including out buildings shall be of sound construction, properly finished and/or painted, and not have an unsightly appearance

2.04 Pets and Livestock: All animals, whether pets or livestock, shall be suitably constrained to the Owner's property. No swine or commercial dog kennels will be allowed. No feed lots of any kind will be allowed

2.05 Subdivision of Tracts: No Tract may be divided without the written approval of Bent Tree Construction, LTD or its successors and assigns; however, such restriction against re-subdivision may be amended upon the vote of 51% of the owners of Tracts in the subdivision

2.06 Utility Easement: A utility easement is reserved as noted on Plat.

2.07 Set Back Lines: No building or other structure (other than a boundary line fence) shall be located nearer than as is designated on the Plat

2.08 Mining and Drilling: No Portion of the Property shall be used for the purpose of mining, quarrying, drilling, boring, or exploring for or removing oil, gas or other hydrocarbons, minerals of any kind, rocks, stones, sand, gravet, aggregate or earth

<u>2.09</u> Trash and Rubbish: No dumping of trash or rubbish will be allowed. Garbage disposal will be through an approved commercial service.

2.10 Access by Non-Owners: Any person or entity that accesses Windmill Road shall be required to be a member of the Property Owner's Association with all attendant benefits and responsibilities

<u>2.11</u> Junk Yards: No Junk Yards, Repair Yards or Wrecking Yards shall be located on any Tract. Two or more vehicles in disrepair placed on any Tract for more than two weeks shall constitute a Junk Yard, unless said vehicles are kept in a garage.

2.12 Nuisance: No noxious or offensive activity shall be carried on upon any Tract nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood

ARTICLE III PROPERTY OWNER'S ASSOCIATION

3.01 Property Owner's Association: An Association of Owners at Bent Tree Subdivision, shall manage the affairs of mutual interest of the total group of Owners The Association shall have the right, power, and obligation to provide for management, acquisition, construction, maintenance, repair, replacement, administration, and operation for the Owners/Members The most significant purposes of the Association is to enforce the restrictions and to provide and maintain good and useable roads within the property

3.02 Management by Association: The business and affairs of the Association shall be managed by an elected Board of Directors The initial board shall be appointed by the Declarant Thereafter, beginning on September 15, 2009, and on September 15th of each succeeding year, an election shall be held comprised of all owners of Tracts in the Subdivision to elect Directors. The appointed board may engage any entity to perform the day to day functions of the Association, and to provide for maintenance, repair, replacement, administration, and operation. The Association, acting through the Board, shall be entitled to enter into such contracts and agreements as the Board deems necessary or appropriate for operation and maintenance including without limitation, the right to enter into agreements with adjoining or nearby land owners or government entities on matters of maintenance, trash pick-up, repair, administration, security, traffic, or other matters of mutual interest

3.03 Management by Association: Each Owner, whether one or more persons or entities, of a Tract shall upon and by virtue of becoming an Owner, automatically becomes and shall remain a Member of the Association until his ownership ceases for any reason, at which time his Membership in the Association shall automatically cease Membership in the Association shall automatically follow the ownership of each Tract and may not be separated from such Ownership Each Member will maintain a current mailing address with the Board of Directors

3.04 Voting of Members: The number of votes of each Member shall be determined on the total number of Tracts owned by such Member For example, a Member holding legal title to one Tract, will be entitled to One (1) vote and owners of multiple Tracts shall be entitled to one vote for each Tract owned. In the event that ownership interests in a Tract are owned by more than one Member of the Association, such Members shall exercise their right to vote in such manner as they may among themselves determine, but in no event shall more votes be cast than the Owners of such Tract be entitled as set forth above All Members of the Association may attend meetings of the Association and all voting Members may exercise their vote as such meetings either in person or by proxy The Declarant may exercise the voting rights with respect to Tracts owned by it. In the event that a Tract is subdivided, owner of each subdivision thereof shall be entitled to one vote for each subdivision, provided that such subdivision is approved in writing by Bent Tree Construction, LTD, its successors and assigns or the Association of Owners at Bent Tree Subdivision

3.05 Disputes: In addition to its other powers conferred by law or in accordance with the provisions of this Declaration, the Board shall be empowered to create procedures for resolving disputes between Owners and the Board of the Association, including the appointment of committees to consider and recommend resolutions of, or to resolve any such disputes.

<u>3.06</u> Professional Management: The Board shall have the authority to retain, hire, employ or contract with such professional management companies or personnel as the Board deems appropriate to perform the day to day functions of the Association and to provide for the construction, maintenance, repair, administration and operation of the Association

3.07 Board Actions in Good Faith: Any action, inaction or omission by the Board made or taken in good faith shall not subject the Board or any individual Member of the Board to any Liability to the Association, its Members or any other party

ARTICLE IV COVENANTS FOR MAINTENANCE ASSESSMENTS

4.01 Creation of the Lien and Personal Obligation for Assessments: Each Owner of a Tract by his claim or assertion of Ownership or by accepting a deed to any such Tract, whether or not it shall be so expressed in such deed, is hereby conclusively deemed to covenant and agree, as a covenant running with the land, to pay to the Association, its successors or assigns, each and all of the charges and assessment against his Tract and / or assessed against him by virtue of his Ownership, thereof, as the same shall become due and payable, without demand as follows.

- a Annual assessment or charges.
- b. Special assessments for capital improvements, such assessments to be established and collected as hereinafter provided, and
- c Maintenance charges incurred by the Association

The annual and special assessments, and maintenance cost incurred by the Association together with interest, at the rate of Twelve percent (12%) per annum, cost, and reasonable attorney's fees for collection of same, shall be charged on the land and shall be a continuing lien upon the Tract against which the assessment is made, and shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to this successors in title unless expressly assumed by them.

4.02 Purpose of Assessments: Each Tract is hereby subjected to an annual maintenance charge and assessment for the purpose of creating a fund to be designated and known as the "maintenance fund", which maintenance charge and assessment will be paid by the Owner or Owners of each Tract, on or before September 15th of each year, in advance annual installments, commencing on a date and in the manner to be promulgated by the Board of Directors of the Association. The rate at which each Tract will be assessed will be determined annually and may be adjusted

from year to year by the Association, as hereinafter provided as the needs for the Association may, in the judgment of the Board, require. Such assessment will be uniform The Board shall use the proceeds of said maintenance fund for the use and benefit of the Members. The uses and benefits to be provided by said Association shall include, by way of clarification and not limitation, at it's sole option, any and all of the following: constructing and maintaining roads and utilities, payment of all legal and other expenses incurred in connection with the enforcement of all recorded charges and assessments, covenants, restrictions, and conditions affecting the Properties to which the maintenance fund applies, payment of all reasonable and necessary expenses in connection with the collection and administration of the maintenance charge and assessment, employing or contracting road maintenance, and doing other things necessary or desirable, in the opinion of the Association, to keep the properties in the Association neat and in good order or which is considered of general benefit to the Owners or occupants of the properties, including the establishment and maintenance of a reserve for repair, maintenance, and other charges as specified herein It is understood that the judgment of the Association in the expenditure of said funds shall be final and conclusive so long as said judgment is exercised in good faith. Nothing herein shall constitute a representation that any of the above will, in fact, be provided by the Association Each person who accepts a deed to a Tract or Tracts agrees, by the acceptance of same, to pay such maintenance charge and assessments as herein provided.

4.03 Annual Assessment of Maintenance Charge: Beginning September 2, 2008, each Tract in the Association, excluding Tracts owned by Declarants, is subject to an annual maintenance charge (AMC) of Twenty-five dollars (\$25.00) a month per Tract paid annually. The initial AMC shall be due and payable on or before September 15, 2008 and on or before September 15th of each year thereafter. The amount of the AMC shall be determined at least Thirty (30) days prior to September 15th (except the initial AMC which is automatically due September 15, 2008) and written notice of such assessment shall be sent out thereafter to each Member of the Association The AMC is due September 15th for that year and is to be paid in advance. Purchasers who purchase Tracts from Declarant shall pay pro-rated dues from date of purchase through September 15th. Tracts owned by Declarants, shall not be subject to an AMC The amount of the AMC for each Tract may be increased or decreased by the Board from time to time, but not more often then once per year. However, if any such change increases or decreases the AMC by more than Twenty percent (20%) over the preceding year, the change must be approved by a majority of the Association Members. Notwithstanding the foregoing, the initial Board of Directors of the Association shall not increase the annual maintenance charge unless such increase is approved by a majority of the Association Members, excluding Special Assessments

4.04 Special Assessment: In addition to the annual assessment herein the Board of Directors of the Association may levy a Special Assessment at any time deemed necessary, applicable only, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, maintenance, repair, and for any other purposes deemed necessary by the Board of Directors of the Association to maintain or improve the property for the general benefit of the Owners and occupants thereof, Tracts owned by the Declarant are not subject to any Special Assessment.

4.05 Vote on Special Assessment: If Twenty percent (20%) of the Members of the Association object in writing, within 30 days of date of notice, to the levy of any special assessment shall not be valid unless and until it has been approved by a majority vote of the Members at a meeting duly called for such purpose. Written notice of the meeting with explanation of the proposed action shall be sent to each Member of the Association not less than Fifteen (15) nor more than Thirty (30) days in advance of the meeting Twenty-five percent (25%) of all Members of the Association shall constitute a quorum and such special assessments shall not be levied unless approved by majority of those voting at such meeting

4.06 Uniform Rate of Assessment: Both annual and special assessments must be fixed at a uniform rate. The Board of Directors shall fix the amount of the annual assessment. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge furnish a certificate signed by an officer of the Associations setting forth whether the assessments on a specified Tract have been paid. A properly executed certificate of the Association as to the statue of assessments on a Tract is binding upon the Association as of the date of its issuance.

4.07 Effect of Nonpayment of Assessments and Remedies of the Association: Any assessment not paid within Thirty (30) days after the due date shall bear interest from the due date at the rate of Twelve percent (12%) per annum. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse or abandonment of his Tract. Further, the voting right of any Owner in default in the payment of the annual maintenance charge, or other charge owing hereunder for which an Owner is liable, may be suspended by action of the Board of Directors for the period during which such default exists and for a period of Sixty (60) days after the default is cured. Any Tract Owner who is in default or who is the subject of a suit to enforce any provision of this Declaration will not be entitled to be nominated for any position as a Director of Officer of the Association unless such default is cured or suit to enforce this Declaration is settled at least Sixty (60) days in advance of such meeting to elect Directors or appoint Officers.

Notice of the lien referred to in paragraph 3.01 may be given by the recordation in the office of the County Clerk in Burnet County, Texas of an affidavit, duly executed, and acknowledged by an officer of the Association, setting forth the amount owed, the name of the Owner or Owners of the affected Tract, according to the books and records of the Association, and the legal description of such Tract.

Each Owner, by acceptance of a deed to his Tract, hereby expressly recognizes the existence of such lien as being prior to his Ownership of such Tract and hereby vest in the Association the right to bring all actions against such Owner or Owners personally for the collection of such unpaid annual maintenance charge and other sums due hereunder as a debt, and to enforce the aforesaid lien by all methods available for the enforcement of such liens, including both judicial and non-judicial foreclosure pursuant to Chapter 51 of the Texas Property Code (as same may be amended or revised from time to time hereafter) and in addition to and in connection therewith, by acceptance of the deed to his Tract, each Owner expressly grants, bargains, sells, and conveys to the President of the Association from time to time serving, as trustee (and to any substitute or successor trustee as hereinafter provided for) such Owner's Tract, and all rights appurtenant thereto, in trust, for the purpose of securing the aforesaid annual

maintenance charge and other sums due hereunder remaining unpaid hereunder by such Owner from time to time and grant to such trustee a power of sale The trustee herein designated may be changed from time to time by execution of an instrument in writing signed by the President or Vice President of the Association and filed in the office of the County Clerk of Burnet County, Texas In the event of the election by the Board of Directors to foreclose the lien herein provided for nonpayment of sums secured by such lien, then is shall be the duty of the trustee, or his successor, as hereinabove provided, to enforce the lien and to sell such Tract, and all rights appurtenant thereto, in accordance with the provisions of Chapter 51 of the Texas Property Code as same may hereafter be amended. At any foreclosure, judicial or non-judicial, the Association shall be entitled to bid up to the amount of the sum secured by its lien, together with costs and attorney's fees, and to apply as a cash credit against its bid all sums due to the Association covered by the lien foreclosed. From and after any such foreclosure, the occupants of such Tract shall be required to pay a reasonable rent for the use of such Tract and such occupancy shall constitute a tenancy-at sufferance, and the purchaser at such foreclosure sale shall be entitled to the appointment of a receiver to collect such rents, and further, shall be entitled to sue for recovery of possession of such Tract by forcible detainer without further notice

4.08 Subordination of Assessment Liens: The annual assessment lien and special assessment lien provided for herein shall be subordinated to and shall be secondary and inferior to all other prior or subsequent voluntary liens established on said property by means of a Deed of Trust of builder's and Mechanic's Lien Contract The assessment liens shall not be subordinated to any tax liens, judgment liens or other similar non-voluntary liens

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4.09 Subordination to the Veterans Land Board of the State of Texas: The annual assessment and special assessment liens provided for herein shall not apply to land held by the Veterans Land Board of the State of Texas The assessment shall be considered a personal obligation of the contract holder. When the Veterans Land Board no longer has any interest in the land, the annual assessment lien and special assessment liens provided for herein shall once again apply in full force and effect, including any past due assessments accrued under the name of the contract holder when such contract holder or his heirs or assigns acquire fee simple title to the property.

ARTICLE V GENERAL PROVISIONS

5.01 Temporary Management by Declarant: Prior to the sale of Seventy percent (70%) of the Tracts in the subdivision, Declarants, their successors and assigns, shall have the right, at their option, to perform the duties, assume the obligations, levy and collect the assessments, and otherwise exercise the powers herein given to the Association in the same way and manner as if all of such powers and duties had been reserved to the Declarants alone.

5.02 Duration and Amendment: The covenants, conditions and restrictions of the 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 Tract subject to this Declaration and the respective legal representatives, heirs, successors, and assigns, and unless amended as provided herein, shall be effective for a term of Twenty (20) years from the date of this Declaration as recorded, after which time, said covenants conditions, and



restrictions shall be automatically extended successive periods of Ten (10) years The covenants, conditions, and restrictions of this Declarations may be amended, altered, rescinded, or modified, in whole or in part, at any time by an instrument signed by the then Owners of a majority of land within the Association upon which residential structures may be constructed. Such majority of land shall be determined on the basis of the total number of acres, and/or fractions thereof, owned within the Association by those Owners signing such instrument when compared to the whole of said Association. No amendment shall be effective until recorded in the Deed Records of Burnet County, Texas

5.03 Severability: If any portion of this Declaration is declared illegal, invalid, or unenforceable by law or court order, such action shall not affect the validity of any other provision hereof Failure to enforce any one or more provisions hereof shall not constitute a waiver thereof as to future enforcement and shall not serve to invalidate any other provision of this Declaration.

5.04 <u>Rules and Regulations:</u> The Rules and Regulations may be amended from time to time by the Board. The Rules and Regulations are of equal dignity with, and shall be enforceable in the same manner as the provisions of these Restrictions, but in the event of a conflict, these Restrictions shall control. Each Owner, by accepting a deed to his Tract, agrees to comply with and abide by the Rules and Regulations as the same may be amended from time to time

IN WITNESS WHEREOF, the undersigned, being the Declarants herein, has hereunto caused this instrument to be executed this <u>Sub</u> day of September. 2008

BENT TREE CONSTRUCTION, LTD

BY. RON FARR, President of 4-F Construction, Inc. General Partner

BENT TREE CONSTRUCTION, LTD

BY

TOM WHITTED, President of Whitted's Buzzard Roost, Inc., General Partner

STATE OF TEXAS §

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COUNTY OF BURNET §

This instrument was acknowledged before me on the <u>5</u>d day of September, 2008, by FRANK ZERMENO.

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STATE OF TEXAS §

<u>Manuy X. Colling</u> Notary Public, State of Texas

This instrument was acknowledged before me on the <u>5</u><u>H</u>day of September, 2008, by RON FARR, President of 4-F Construction, Inc , General Partner

Manue X. Coll Notary Public, State of Texas

STATE OF TEXAS §
COUNTY OF BURNET §

This instrument was acknowledged before me on the $5\mathcal{H}$ day of September, 2008, by TOM WHITTED, President of Whitted's Buzzard Roost, Inc , General Partner

Maning Z. Collim Notary Public, State of Texas





