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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

FILED
TARRANT COUNTY TEXAS

IDLEWOOD AT HIDDEN LAKES

MB NOV -3 P 1: Oct

SUZANNE HENDERSON
COUNTY CLERK

THIS DECLARATION (this "Declaration"), made this 26 day of October, 1998, by
RCS/Idlewood, L.P. ("Declarant"), a Delaware limited partnership;

BY _____

WITNESSETH

Introductory Statement

A. Declarant is the owner of a certain tract of land situated in the City of Keller, Tarrant County, Texas, containing approximately 119.751 acres of land and commonly known as "Idlewood at Hidden Lakes", a residential subdivision comprised of 319 single family residential lots ("Lots"), public streets and related amenities (such residential subdivision, together with any additional properties which may be added to this Declaration by Declarant being collectively called the "Properties"), as more particularly described as Exhibit "A", attached hereto and made a part hereof for all purposes.

B. Declarant desires to provide for (i) the maintenance of private streets, and controlled access and entry monitoring devices, street lighting and signs (and all elements thereof) situated within the Properties, and (ii) the maintenance and preservation of the Common Areas, as hereinafter defined (such maintenance being collectively called the "Common Facilities Maintenance").

C. Declarant has further deemed it advisable, for the efficient preservation of the values and amenities within the Properties, to (i) impose covenants upon the Properties, (ii) to cause to be incorporated under the Non-Profit Corporation Act of the State of Texas (the "Act") a non-profit corporation, Idlewood at Hidden Lakes Homeowners, Association, Inc. (the "Association"), and (iii) to delegate and assign to the Association the powers of performing the Common Facilities Maintenance, and collecting and disbursing the assessments and charges, as hereinafter provided.

D. In addition to the covenants set forth in this Declaration, the Lots are subject to the covenants, conditions and restrictions of a certain Master Declaration of Covenants, Conditions and Restrictions for Hidden Lakes (the "Master Declaration"), dated as of November 6, 1996, executed by Hidden Lakes, a Texas joint venture, and recorded in Volume 12573, at Pages 965, et seq., of the Deed Records of Tarrant County, Texas, and as the Master Declaration has been and may be supplemented and amended from time to time.

NOW, THEREFORE, Declarant declares that the Properties shall be held, transferred, sold, conveyed and occupied subject to the covenants, easements, charges and liens (sometimes referred to as "Covenants") hereinafter set forth.

Declaration
ARTICLE I
DEFINITIONS

The following words when used in this Declaration (unless the context shall prohibit) shall have the following meanings:

"Assessments" shall mean and refer to the regular annual assessments, the special assessments and the default assessments provided in Section 3.1 hereof.

"Association" shall mean and refer to the Idlewood at Hidden Lakes Homeowners Association, Inc., a Texas non-profit corporation.

"Idlewood at Hidden Lakes" shall mean and refer to the residential community arising out of the development and improvement of the Properties with Dwelling Units and the use and occupancy of the Properties as a residential subdivision.

"Board" shall mean the Board of Directors of Idlewood at Hidden Lakes Homeowners Association, Inc.

"City" shall mean the City of Keller, Texas.

"City Council" shall mean the City Council of the City of Keller, Texas.

"Common Areas" shall mean and refer to those areas of land designated as (i) the Streets and any controlled access and entry monitoring devices, street lighting and signs (and all elements thereof), (ii) the Entry Areas and any land near or adjacent to the entrances to the Properties with respect to which Declarant or the Association is granted or has reserved any easement for any purposes whatsoever, including, but not limited to installing and maintaining System components and entry signage for the Properties, and (iii) any other property or improvements for which the Association may hereafter, by determination of the Board in its sole discretion or otherwise, hereafter become obligated to maintain, improve or preserve.

"Common Facilities" shall mean and refer to the Common Areas.

"Declarant" shall mean and refer to RCS/Idlewood, L.P., a Delaware limited partnership, its successors and any assignee, other than an Owner, who shall receive by assignment from the said RCS/Idlewood, L.P., all or a-portion of its rights hereunder as such Declarant, by an instrument expressly assigning such rights as Declarant to such assignee.

"Dwelling Unit" shall mean and refer to any building or portion of a building situated upon the Properties which is designated and intended for use and occupancy as a residence by a single person, a couple, a family or a permitted family size group of persons.

"Eligible Insurers" is defined in Article VI below.

"Mortgagees" is defined in Article VI below.

"Entry Areas" shall mean those Common Areas as shown on the Plats near or adjacent to the subdivision entrances for the Properties.

"Lot" shall mean and refer to any plot or tract of land shown upon any recorded subdivision map of the Properties or a Subdivision which is shown as a lot thereon and which is or is to be improved with a Dwelling Unit.

"Maintenance Fund" shall mean the regular annual assessments collected by the Association from time to time in accordance with the provisions of Section 3.1 hereof.

"Member" shall mean and refer to each Owner as provided herein in Article H.

"Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot but, notwithstanding any applicable theory of mortgages or other security devices, shall not mean or refer to any mortgagee or trustee under a mortgage or deed of trust unless and until such mortgagee or trustee has acquired title pursuant to foreclosure or any conveyance in lieu of foreclosure.

"Plats" shall mean the final subdivision plat of the Idlewood at Hidden Lakes, addition to the City of Keller, Tarrant County, Texas, or the final plat of any Subdivision, and recorded or to be recorded in the Plat records of Tarrant County, Texas, pertaining to the Properties.

"Properties" shall have the meaning given to it in Paragraph A of the Introductory Statement above, together with additions thereto as may be made subject to the terms of this Declaration by a Supplemental Declaration of Covenants executed and filed by Declarant in the Deed Records of Tarrant County, Texas, from time to time.

"Resident" shall mean and refer to each person (not otherwise an Owner or Member) authorized by an Owner to reside within such Owner's Dwelling Unit.

"Street Reserve Fund" shall have the meaning set forth in Section 5.1 hereof.

"Streets" shall mean the right-of-way of all private streets, sidewalks and other rights-of-way situated within, and shown on the Plats of, the Properties, together with all pavement, curbs, street lights, signs and related facilities installed thereon, unless and until the Streets have been dedicated to the City pursuant to Section 5.1(h) and accepted by the City for maintenance.

"Subdivision" shall mean one of the four subdivisions of Idlewood At Hidden Lakes known as and designated as such on its respective Plat, (i) Idlewood Estates, Phase I At Hidden Lakes; (ii) Idlewood Estates, Phase 2 At Hidden Lakes; (iii) Idlewood Green At Hidden Lakes; and (iv) Idlewood Oaks At Hidden Lakes

"System" shall have the meaning set forth in Section 5.2 hereof.

ARTICLE II

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

2.1 Membership. Every Owner of a Lot shall automatically be a Member of the Association.

2.2 Class of Membership. The Association shall have two classes of voting membership.

CLASS A. Class A Members shall be all members with the exception of Declarant. Class A Members shall be entitled to one vote for each Lot in which they hold the interest required for membership. When more than one person holds such interest or interests in any Lot, all such persons shall be Members, and the vote for such Lot shall be exercised as they, among themselves, determine, but in no event shall more than one vote be cast with respect to any such Lot.

CLASS E. The Class B Member(s) shall be the Declarant. Until such time as all Lots held by the Class B Member(s) have been sold and conveyed, all votes of the Association shall be cast solely by the Class B Member(s), to the exclusion of the Class A Members. At such time as all Lots held by Class B Member(s) have been sold and conveyed, then the Class B membership of the Declarant in the Association shall terminate and all votes shall thereafter be cast solely by Class A Members.

ARTICLE III

COVENANT FOR MAINTENANCE

ASSESSMENTS

3.1 Creation of the Lien and Personal Obligation for Assessments. Each Owner of a Lot (by acceptance of a deed therefore, whether or not it shall be so expressed in any such deed or other conveyance), for each Lot owned by any such Owner, hereby covenants and agrees and shall be deemed to covenant and agree to pay to the Association (or to a mortgage company or other collection agency designated by the Association): (a) annual assessments or charges, to be paid in installments as the Board may elect, (b) special assessments for capital improvements and/or unanticipated expenses (including, without limitation, pursuant to Section 4.1(b)(vi) hereof), such assessments to be fixed, established and collected from time to time as hereinafter provided, and (c) default assessments which may be assessed against an Owner's Lot by the Board at any time and from time to time to reimburse the Association for costs and expenses incurred on behalf of such owner by the Association in accordance with this Declaration. The payment dates with respect to each Lot shall commence upon the date on which title to such Lot has been conveyed to a purchaser of a completed Dwelling Unit. The regular annual assessments collected by the Association shall constitute the "Maintenance Fund" of the Association. The regular annual, special and default assessments, together with such interest thereon and costs of collection thereof as hereinafter provided (collectively "Assessments"), shall be a charge on the land and shall be a continuing lien upon each Lot against which each such Assessment is made. Each such Assessment, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall also be the continuing personal obligation of the person who was the Owner of such Lot at the time when the Assessment became due.

3.2 Purpose of Assessments. The Assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health and welfare of the residents of the Properties, and in particular for the payment of all costs and expenses related to Common Facilities

Maintenance, including without limitation services, equipment and facilities devoted to this purpose, including, but not limited to, the payment of all costs and expenses incurred for carrying out the duties of *the* Board as set forth in Article IV hereafter and for carrying out the purposes of the Association as stated in its Articles of Incorporation.

3.3 Maintenance of the Common Facilities By Declarant.

(a) Until such time as Declarant has sold and conveyed all of the Lots to third party purchasers, Declarant shall have the right (but not the obligation), at its election and in its sole discretion, to assume the exclusive responsibility from time to time of maintaining the Common Facilities including, but not limited to, paying the costs of labor, equipment (including the expense of leasing any equipment) and materials required for the maintenance of the Common Facilities. In this regard, and during such period, all Assessments collected by the Association shall be forthwith paid by the Association to Declarant, to the extent that such Assessments are required by Declarant to maintain the Common Facilities *as* set forth in this paragraph. The Association shall rely upon a certificate executed and delivered by Declarant with respect to the amount required by Declarant to maintain the Common Facilities hereunder.

3.4 Basis and Amount of Assessments.

(a) Until the year beginning January 1, 1999, the annual Assessment in each Subdivision shall be as follows: (i) Idlewood Estates, Phase I and Phase 2 At Hidden Lakes: Three Hundred Sixty and No/100 Dollars (\$360.00) per Lot; (ii) Idlewood Green At Hidden Lakes: Two Hundred Forty and No/100 Dollars (\$240.00) per Lot; and (iii) Idlewood Oaks At Hidden Lakes: One Hundred Twenty and No/100 Dollars (\$120.00) per Lot.

(b) Commencing with the year beginning January 1, 1999, and each year thereafter, the Board, at its annual meeting held for the calendar year commencing January 1, 1999, and at each annual meetin^g thereafter, shall set the amount of the annual Assessment for the following year for each Lot in each Subdivision, taking into consideration the current maintenance costs and the future needs of the Association; provided, that from and after January 1, 1999, in no event shall the annual Assessment for each Lot in each Subdivision which is subject to being assessed for any year exceed the annual Assessment levied by the Board for each such Lot in the applicable Subdivision for the immediately preceding year by more than ten (10%) percent except only in the case of unusual or extraordinary costs and expenses to be paid by the Association as determined from time to time by the Board.

(c) In addition to regular assessments set forth above and special assessments set forth in Section 3.5 below, each Owner shall be obligated at the time of the purchase of a Lot by such Owner and simultaneously therewith, to pay to the Association the sum of Fifty Dollars (\$50.00) as an acquisition and transfer fee to supplement the funds of the Association provided in Section 3.1 hereof.

3.5 Special Assessments for Capital Improvements. In addition to the annual Assessments authorized by Section 3.4 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, any unanticipated cost or expense related to the Common Facilities or for the cost of any construction or reconstruction, unexpected repair or replacement, of a described capital improvement, including the necessary fixtures and personal property related to the Common Areas; provided that any such

Assessment for capital improvements shall have the assent of the Members entitled to cast fifty-one percent (51%) of the votes of the Members of the Association entitled to vote who either (i) are voting in person or by proxy at a meeting duly called for this purpose, as provided in Section 2.2, or (ii) execute a written consent in lieu of a meeting for such purpose.

3.6 Rate of Assessment. Both regular annual Assessments and special Assessments shall be fixed at a uniform rate for all Lots within a Subdivision. However, the Assessments for a Lot in one Subdivision may be fixed at an amount that is greater or lesser than the Assessments that are fixed for a Lot in a different Subdivision.

3.7 Date of Commencement of Assessments: Due Date.

(a) The initial Assessment provided for in Section 3.4(a) above shall commence on the date fixed by the Board to be the date of commencement (the "Date of Commencement"), and shall be paid in advance, on such Date of Commencement. Thereafter, annual and special Assessments shall be paid annually on such date as designated by the Board (the "Assessment Date"). For purposes of the annual assessment, if the Date of Commencement falls on other than the Assessment Date, the initial Assessment for such year shall be prorated by the number of days remaining in the year.

(b) The due date or dates, if it is to be paid in installments, of any special Assessment under Section 3.5 above shall be fixed in the resolution authorizing such Assessment.

3.8 Duties of the Board with Respect to Assessments.

(a) The Board shall fix the Date of Commencement and the amount of the Assessments against each Lot in each Subdivision for each Assessment period at least thirty (30) days in advance of such Date of Commencement or Assessment Date and shall, at that time, prepare a roster of the Lots and Assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner_

(b) Written notice of the Assessment shall thereupon be delivered or mailed to every Owner subject thereto.

(c) The Board shall upon demand at any time furnish to any Owner liable for each Assessment a certificate in writing signed by an officer of the Association, setting forth whether such Assessment has been paid. Each such certificate shall be conclusive evidence of payment of any Assessment therein stated to have been paid. A reasonable charge may be made by the Board for the issuance of such certificates.

3.9 Effect of Non-Payment of Assessment: The Personal Obligation of the Owner, the Lien, Remedies of Association.

(a) If any Assessment or any part thereof is not paid on the date(s) when due (being the dates specified by the Board pursuant to Section 3.7 above), then the unpaid amount of such Assessment shall become delinquent and shall, together with such interest thereon and the costs of collection thereof as hereinafter provided, thereupon become a continuing lien on the Lot of the non-paying Owner which shall bind such Lot in the hands of the then Owner, his heirs, executors, devisees, personal

representatives and assigns. The personal obligation of the then Owner to pay such Assessment which arises during his ownership of a Lot, however, shall remain his personal obligation and the personal liability for any such Assessment shall not pass to his successors in title unless expressly assumed by them. Notwithstanding the foregoing, the lien for unpaid Assessments shall be unaffected by any sale or assignment of a Lot and shall continue in full force and effect. No Owner may waive or otherwise escape liability for the Assessments provided herein by non-use of the Common Facilities or abandonment of his Lot.

(b) In furtherance of the Lien provided in Section 3.9(a) above, and to secure the fully and timely payment of all Assessments and other amounts payable by each Owner hereunder, each Owner does hereby grant and convey unto Declarant, in trust as Trustee (the "Trustee"), the Lot; provided, that each such grant shall be subordinated to the lien of any mortgage or deed of trust only to the extent provided in Section 3.10 below; and for these purposes the provisions of this paragraph shall be deemed to have created a deed of trust (the "Deed of Trust") covering all of the Lots with a power of sale granted to the Trustee in accordance with the provisions of Chapter 51 of the Texas Property Code (the "Code"), as it may be amended from time to time. The Deed of Trust created hereby shall be upon the same terms and conditions, and shall provide to the Association all of the rights, benefits and privileges, of the Deed of Trust promulgated by the State Bar of Texas for use by lawyers designated as Form No. 2402, and all amendments, modifications and substitutions thereof, which form is hereby incorporated by reference for all purposes hereof. The Association, acting through its president, shall have the right in its sole discretion at any time, and from time to time, to appoint in writing a substitute or successor Trustee who shall succeed to all rights and responsibilities of the then acting Trustee.

(c) Without limitation of the remedies available to the Association and to the other owners upon the occurrence of a default by any Owner in the payment of any Assessment or other amount due and payable hereunder, the Association may, at its election and by and through the Trustee, sell or offer for sale the Lot owned by the defaulting Owner to the highest bidder for cash at public auction in accordance with the provisions of the Code. The Association may, at its option, accomplish such foreclosure sale in such manner as permitted or required by the Code or by any other present or subsequent laws relating to the same. After the sale of any Lot in accordance with the provisions of this paragraph, the Owner of such Lot shall be divested of any and all interests and claims thereto, and the proceeds of any such sale shall be applied in the following order of priority: (i) to the payment of the costs and expenses of taking possession of the Lot, (ii) to the payment of reasonable Trustee's fees, (iii) to the payment of costs of advertisement and sale, (iv) to the payment of all unpaid Assessments and other amounts payable by such Owner to the Association hereunder, and (v) to the defaulting Owner or to any other party entitled thereto. The Association shall have the right to become the Purchaser at the sale of any Lot hereunder and shall have the right to be credited on the amount of its bid therefor all of the Assessments due and owing by the defaulting Owner to the Association as of the date of such sale.

(d) If any Assessment or part thereof is not paid within thirty (30) days after the delinquency date, the unpaid amount of such Assessment shall bear interest from the date of delinquency at the maximum legal rate of interest, and the Association may, at its election, bring an action at law against the Owner personally obligated to pay the same in order to enforce payment and/or to foreclose the lien against the Lot subject thereto, and there shall be added to the amount of such Assessment the costs of preparing and filing the complaint (including reasonable attorneys' fees) in such action, and in the event a judgment is obtained such judgment shall include interest on the Assessment as above provided and a reasonable attorneys' fee to be fixed by the court, together with the costs of the action. In addition to

interest on delinquent amounts as set forth above, each delinquent Owner shall be obligated to pay a late charge with respect to any Assessment which is not paid within thirty (30) days after the date due as determined from time to time by the Board.

3.10 Subordination of the Lien to Mortgages. The lien securing the payment of the Assessments and other obligations provided for herein shall be superior to any and all other charges, liens or encumbrances which may hereafter in any manner arise or be imposed upon any Lot whether arising from or imposed by judgment or decree or by any agreement, contract, mortgage or other instrument, except for:

(a) bona fide first mortgage or deed of trust liens for purchase money and/or home improvement purposes placed upon a Lot, including without limitation institutional mortgages and Eligible Mortgages, in which event the Association's lien shall automatically become subordinate and inferior to such first lien,

(b) liens for taxes or other public charges as are by applicable law made superior to the Association's lien; and

(c) such other liens to which the Board may, in the exercise of its reasonable discretion, elect to voluntarily subordinate the Association's lien; provided however, such subordination shall apply only to (i) the Assessments which have been due and payable prior to the foreclosure sale (whether public or private) of such Lot pursuant to the terms and conditions of any such first mortgage or deed of trust or tax lien; and (ii) the permitted lien on the Lot alone. Such sale shall not relieve such Lot from liability for the amount of any Assessment thereafter becoming due nor from the lien of any such subsequent Assessment. Such subordination shall not apply where the first mortgage or deed of trust or tax lien is used as a device, scheme or artifice to evade the obligation to pay Assessments and/or to hinder the Association in performin^g its functions hereunder.

3.11 Exempt Property. The following property subject to this Declaration shall be exempted from the Assessments, charge and lien created herein:

(a) All properties dedicated and accepted for maintenance by the City or any other local public authority and devoted to public use.

(b) All Common Areas as defined in Article I hereof.

(c) All areas reserved by the Declarant on the recorded plat of the Properties.

(d) All Lots owned by Declarant.

(e) All parcels of land owned by Hidden Lakes Master Homeowners Association.

ARTICLE IV

GENERAL POWERS AND DUTIES OF BOARD OF DIRECTORS,
OF THE ASSOCIATION

4.1 Powers and Duties.

(a) The Board, for the benefit of the Properties and the Owners, shall provide, and shall pay for out of the maintenance fund provided for in Section 3.1 above, the following:

(i) Care, preservation and maintenance of the Common Facilities, and the purchase and upkeep of any desired personal property used in connection with the maintenance of the Common Facilities.

(ii) The services of a person or firm to manage the Association or any separate portion thereof, to the extent deemed advisable by the Board, and the services of such other personnel as the Board shall determine to be necessary or proper for the operation of the Association, whether such personnel are employed directly by the Board or by the manager.

(iii) Legal and accounting services.

(iv) If deemed appropriate by the Board, a policy or policies of insurance insuring the Association against any liability to the public or to the Owners (and/or invitees or tenants), incident to the operation of the Association, in an amount not less than \$100,000 to indemnify against the claim of one person, 5300,000 against the claims of two or more persons in any one occurrence, and property damage insurance in an amount not less than \$100,000 per occurrence, which policy or policies shall contain an endorsement providing that the rights of the named insureds shall not be prejudiced with respect to actions against other named insureds.

(v) Workmen's compensation insurance to the extent necessary to comply with any applicable laws.

(vi) Such fidelity bonds as the Board may determine to be advisable.

(vii) Any other materials, supplies, insurance, furniture, labor, services, maintenance, repairs, taxes or Assessments (including taxes or Assessments assessed against an individual Owner) which the Board is required to obtain or pay for pursuant to the terms of this Declaration or by law or which in its opinion shall be necessary or proper for the operation or protection of the Association or for the enforcement of this Declaration.

(b) The Board shall have the following additional rights, powers and duties:

(i) To borrow funds to pay costs of operation, secured by assignment or pledge of rights against delinquent Owners, if the Board sees fit.

(ii) To enter into contracts, maintain one or more bank accounts (granting authority as the Board shall desire to one or more persons to sign checks), and, generally, to have all the powers necessary or incidental to the operation and manage of the Association.

(iii) To protect or defend the Common Areas from loss or damage by suit or otherwise, and to provide adequate reserve for maintenance and repairs.

(iv) To make reasonable rules and regulations for the maintenance and protection of the Common Facilities and Common Areas, and to amend them from time to time, provided that any rule or regulation may be amended or repealed by an instrument in writing signed by a majority of the Members entitled to vote pursuant to Section 2.2.

(v) To make available to each Owner upon written request within sixty (60) days after the end of each year an annual report and, upon the written request of ten percent (10%) of the Members entitled to vote pursuant to Section 2.2, to have such report audited by an independent certified public accountant, which audited report shall be made available to each Member within thirty (30) days after completion.

(vi) To adjust the amount, collect, and use any insurance proceeds to repair damage or replace lost property, and if proceeds are insufficient to repair damage or replace lost property, to assess the Members in proportionate amounts to cover the deficiency.

(vii) To enforce the provisions of this Declaration and any rules made hereunder and to enjoin and seek damages from any Owner for violation of such provisions or rules.

4.2 Board Powers. Exclusive. The Board shall have (a) the exclusive right to contract for all goods, services, and insurance, payment for which is to be made from the Maintenance Fund and (b) the exclusive right and obligation to perform the functions of the Board, except as otherwise provided herein.

ARTICLE V STREETS AND EASEMENTS

5.1 Private Streets. The Streets situated and to be situated within the Properties are and shall be private streets which have not been dedicated to, and are not owned by, the City, except as otherwise provided in Section 5.1(h) below. The following special provisions are applicable to Streets unless and until the Streets have been dedicated to and accepted by the City for maintenance pursuant to Section 5.1(h) below:

(a) All streets situated from time to time within the Properties shall be owned by the Association; provided, however, that neither the Declarant nor the Association makes any commitment nor shall either be under any obligation whatsoever to assure that the Streets will at all times remain private. The Streets shall at all times be subject to the lawful exercise by the City of its police powers. The entrances to all Streets shall be marked with a sign stating that such Street is a private street.

(b) The Association shall, and has the sole responsibility to, maintain the Streets in a condition not less than the minimum City maintenance standards required for public streets in the City, and the Association shall make all repairs to the Streets deemed reasonably necessary by the City from time to time to insure emergency access. The Association shall be responsible to ensure that all traffic regulatory signs located on the Streets shall conform to the Texas Manual of Uniform Traffic Control Devices. All costs and expenses incurred by the Association in maintaining the Streets shall be paid from the Maintenance Fund provided in Section 3.1 hereof.

(c) The Association shall, as part of the Maintenance Fund, establish and maintain a street reserve fund (the "Street Reserve Fund") to pay maintenance and repair costs of the Streets, which Street Reserve Fund shall be maintained with a portion of the Assessments collected by the Association. The amount of the Assessments allocable to the Street Reserve Fund shall be determined from time to time by the Board. If the Association fails to maintain and repair the Streets to minimum City maintenance standards and such failure continues for thirty (30) days after written notice from the City to the Association specifying such failure, then thereafter, the City may use the Street Reserve Fund or cause the Association to assess the Owners within the affected Subdivisions pursuant to Section 3.1(b) so that the City may maintain and repair the Streets to such minimum City maintenance standards.

(d) Non-exclusive easements are hereby reserved for the benefit of, and granted to, the City, all providers of utility services within the Properties, and all other governmental servicers of the Properties (including without limitation the U.S. Postal Service), to enter into and use the Streets for the provision of all governmental and utility services necessary and/or required for the benefit of the Owners in the proper exercise of governmental functions and the providing of utility services, including without limitation, the right in the City to remove any vehicle or obstacle from the Streets that impairs emergency access.

(e) Utilities serving the Properties shall be installed only in the Streets or in designated utility easement(s) shown on the Plats (except for individual utility connections from the common utility lines to improvements constructed on a Lot).

(f) The Plats shall contain a dedication to the City and to all public utility entities providing utility service to the Properties of the right to use the Streets to construct, install, maintain, operate, inspect, remove and reconstruct the facilities, equipment and systems that serve the Properties, but the City and such utility companies shall repair any damage to the pavement or other improvements on the Streets resulting from any such installation, maintenance, reconstruction or such other work.

(g) If the Association maintains mechanism(s) to control access to the Streets, the Association shall maintain such mechanism(s) in good operating condition so as to allow twenty-four (24) hour access to the Streets by the City and the providers of utility services to the Properties.

(h) Declarant and the Association reserve the right at any time to convert all (but not less than all) of the Streets to public streets upon the satisfaction of the following conditions:

(i) A petition containing a signature of 100% of the Members entitled to vote pursuant to Section 2.2 must be submitted to the City;

(ii) The Properties must be replatted to dedicate such Streets to the City; and

(iii) Should the City elect to accept the Streets as public streets, the City, at its option, may inspect the Streets and cause the Association to assess the Owners pursuant to Section 3.1(b) above for the expenses needed to repair the Streets to the City's current public street maintenance standards. The City may require, at such Owners' expense, the removal of guardhouses, access control devices or other appurtenances within the right of ways as a condition to the City's acceptance of the Streets as public streets.

(i) The Owners and the Association acknowledge that certain City services, including but not limited to, routine police patrols, maintenance, street cleaning services, enforcement of traffic and parking ordinances and preparation of accident reports, shall not be provided by the City with respect to the Streets unless and until dedicated to the City and accepted by the City for maintenance pursuant to Section 5.1(h) above.

(j) The Association, as owner of the Streets, agrees to release, indemnify, defend and hold harmless the City and any applicable governmental entities and public utilities (i) for damages to the Streets occasioned by the reasonable use of the Streets by the City, and such governmental entities or public utilities; (ii) for damages or injury (including death) arising out of the condition of said Streets; (iii) for damages and injury (including death) arising out of the use by the City, and such government entities, or public utilities of any restricted access gate or entrance; and (iv) for damages and injury (including death) arising out of the use of the Subdivision by the City, government entity or public utility. THIS INDEMNIFICATION SHALL APPLY REGARDLESS OF WHETHER OR NOT SUCH DAMAGES AND INJURY (INCLUDING DEATH) ARE CAUSED BY THE NEGLIGENT ACT OR OMISSION OF THE CITY, GOVERNMENT ENTITIES, OR PUBLIC UTILITIES, OR THEIR AGENTS, BUT SHALL NOT BE APPLICABLE TO ANY OF THE FOREGOING RESULTING FROM ANY INDEMNIFIED PARTY'S GROSS NEGLIGENCE OR WILFUL MISCONDUCT . This paragraph 5.1(j) may not be amended without the prior approval of the City Council.

(k) The provisions of this Section 5.1 shall not be amended without the prior approval of the City Council.

5.2 Limited Access System. Declarant will install a mechanical system that limits vehicular access to the Streets from public streets (the "System"). The System shall accommodate governmental and utility personnel, U.S. Postal Service, solid waste collection, residents, guests, deliveries and other services without impeding traffic movement on public thoroughfares. Any gate used in connection with the System must comply with the Keller Fire Department regulations for emergency access. The Association shall provide the City with all equipment necessary to operate the access control devices as reasonably determined by the City at no cost to the City. The location and design of each entrance or exit shall accommodate peak travel times. If the System uses any gate, adequate stacking distances, not less than a total of one hundred (100) feet, shall be provided to allow for any delay while the gate opens. Such gate must be setback from the public thoroughfare for a minimum distance of fifty (50) feet with a turn around provided for vehicles denied access to be able to exit onto a public street in a forward manner before getting to the gate. If an overhead barrier is used, it must be a minimum clear span of fourteen (14) feet in height above the road surface. By accepting a deed to a Lot, each Owner acknowledges the following:

(a) The Board will have the sole authority, in the Board's sole and exclusive discretion, to determine when the System will become operational.

(b) Neither Declarant nor the Association shall be responsible for providing security to the Owners or their family members, guests, invitees or their property. The purpose of the System will be to provide some degree of restriction of vehicular access onto the Streets. NEITHER DECLARANT, THE ASSOCIATION NOR ANY OWNER GUARANTEES OR ASSURES TO ANY OTHER OWNER OR ANY OTHER PARTY WHOMSOEVER THAT THE SYSTEM WILL IN ANY MANNER WHATSOEVER PROVIDE PERSONAL PROTECTION OR SECURITY TO ANY OWNER. SUCH OWNER'S PERSONAL POSSESSIONS OR MEMBERS, GUESTS OR INVITEES. OR TO ANY OTHER PERSON. AND EACH OWNER ASSUMES THE ENTIRE RISK AS BETWEEN SUCH OWNER AND DECLARANT OR THE ASSOCIATION OF ANY LOSS OR DAMAGE TO PERSONS OR PROPERTY WITHIN THE PROPERTIES ARISING FROM ANY DEFICIENCY, FAILURE OR DEFECT IN THE SYSTEM OR OTHERWISE.

(c) The City will have access to the Property for law enforcement purposes. Each Owner shall look solely to the City for the provision of law enforcement and police protection; provided, however, the City police will not make routine patrols, enforce traffic or parking ordinances or prepare accident reports in the Property.

(d) The System is not intended to replace or to serve in lieu of individual alarm systems or other measures to provide security at a residence or within any Lot or Lots. Each Owner is encouraged to install personal security devices upon and within such Owner's Dwelling Unit to the same extent that would be prudent if the System did not exist.

(e) The System will be installed based upon the representations of vendors regarding the operational and performance capabilities of the components of the System. DECLARANT DISCLAIMS ANY AND ALL REPRESENTATIONS AND WARRANTIES, EXPRESS OR IMPLIED, AND DECLARANT MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY NATURE WHATSOEVER REGARDING THE SYSTEM, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR THE PURPOSE OF WHICH IT WAS DESIGNED. Declarant does not expressly or impliedly guarantee that the System will avert or prevent occurrences or consequences which the System is designed to avert or prevent.

(f) The System shall be owned by the Association. Operation of the System shall be the responsibility of the Association. Declarant shall not be required to operate or maintain the System. The costs of operation and maintenance of the System will be paid by the Owners through Assessments.

(g) Each residence constructed on a Lot must be connected into the System, and each Owner is responsible for using the System in the proper manner and within the rules and regulations relating thereto as may be adopted from time to time by the Association.

5.3 Easement Reserved for Association. Full rights of ingress and egress shall be had by the Association at all times over and upon each Lot and the Properties for the carrying out by the Association of its rights, functions, duties and obligations hereunder; provided, that any such entry by the Association upon any Lot shall be made with *as* minimum inconvenience to the Owner *as* practical,

and any damage caused thereby shall be repaired by the Association at the expense of the maintenance fund.

ARTICLE VI

RIGHTS OF CERTAIN MORTGAGEES AND MORTGAGE INSURERS

The provisions within this Article are for the primary benefit of:

(a) the owners and holders of Institutional Mortgages which are required to satisfy the applicable requirements of FHA, VA, FNMA, FLMC and other similar governmental, quasi-governmental and nationally recognized public and/or private sources of end financing (such mortgagees sometimes collectively referred to herein as "Eligible Mortgagees") and their mortgages referred to as "Eligible Mortgages"; and

(b) the insurers, guarantors, participants and subsidizers of the Eligible Mortgages, sometimes collectively referred to herein as the "Eligible Insurers". To the extent applicable, necessary or proper, the provisions of this Article VI apply not only to this Declaration but also to the Articles of Incorporation and Bylaws of the Association. This Article is supplemental to, and not in substitution of, any other provisions of this Declaration, the Articles of Incorporation and Bylaws, but in the event of ambiguity or conflict, this Article shall control.

6.1 Notices of Action. An Eligible Mortgagee or Eligible Insurer who provides written request to the Association (such request to state the name and address of such holder, insurer or guarantor and a reasonable description of the Dwelling Unit covered by the Eligible Mortgage) will be entitled to receive timely written notice of:

(a) any proposed termination of the Association;

(b) any condemnation loss or any casualty loss which affects a material portion of the Properties or which materially affects any Dwelling Unit on which there is an Eligible Mortgage held, insured or guaranteed by such Eligible Mortgagee or Eligible Insurer, as applicable;

(c) any delinquency in the payment of Assessments or charges owed by an Owner of a Dwelling Unit subject to the Eligible Mortgage of such Eligible Mortgagee or Eligible Insurer, where such delinquency has continued for a period of sixty (60) days;

(d) any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; or

(e) any proposed action which would require the consent of the Eligible Mortgagees as required herein below.

6.2 Joinder to Documents. (a) Eligible Mortgagees who have requested the Association to notify them concerning any proposed action that requires the consent of a specified percentage of Eligible Mortgagees also have the right to join in the decision making about certain amendments to this Declaration. Amendments of a material nature (as defined below) shall be agreed to by: (i) at least sixty-

seven percent (67%) of the Members entitled to vote under Section 2.2; and (ii) the Declarant or the Board; and (iii) Eligible Mortgagees representing at least fifty-one percent (51%) of the Dwelling Units that are subject to Eligible Mortgages. A substantive change to any of the following shall be considered as material:

- (1) voting rights;
- (2) Assessments, Assessment liens, or subordination of Assessment liens;
- (3) reserves for maintenance, repair, and replacement of Common Properties;
- (4) responsibility for maintenance and repairs;
- (5) boundaries of any Lot covered by an Eligible Mortgage;
- (6) convertibility of Dwelling Units into Common Properties or vice versa;
- (7) expansion or contraction of the Properties, or the addition, annexation, or withdrawal of the property to or from the Properties;
- (8) insurance or fidelity bonds;
- (9) leasing of Dwelling Units;
- (10) imposition of any restrictions on a Dwelling Unit Owner's right to sell or transfer his or her Dwelling Unit;
- (11) a decision by the Association to establish self-management when professional management had been required previously by an Eligible Mortgagee;
- (12) any action to terminate the legal status of the Properties after substantial destruction or condemnation occurs; or
- (13) any provisions that expressly benefit Eligible Mortgagees or Eligible Insurers.

Additions or amendments such as the correction of a technical error or the clarification of a statement shall not be considered or construed as being "material".

(b) If and when the Dwelling Unit Owners are considering termination of the coverage of this Declaration over the Properties for reasons other than substantial destruction or condemnation, the Eligible Mortgagees representing at least sixty-seven percent (67%) of the mortgaged Dwelling Units in the Properties shall agree.

6.3 Special FHLMC Provision. (a) So long as required by the Federal Home Loan Mortgage Corporation, the following provisions apply in addition to and not in lieu of the other Sections of this Article. Unless two-thirds (2/3) of the Eligible Mortgagees or Owners give their consent, and subject to

the condition that any proposed action of the Association purportedly covered by the following requirements shall be material and adverse, the Association shall not:

- (i) by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Common Properties which the Association owns, directly or indirectly (but the granting of easements for public utilities or for other public purposes consistent with the intended use of the development shall not be deemed a transfer);
- (ii) change the method of determining the obligations, Assessments, dues or other charges which may be levied against an Owner;
- (iii) by act or omission charge, waive or abandon any scheme of regulations or enforcement thereof pertaining to the exterior appearance and maintenance of Dwelling Units and of the Common Properties;
- (iv) assign any future income of the Association, including its right to receive Assessments;
- (v) fail to maintain fire and extended coverage insurance on assets owned by the Association, if required by this Declaration; or
- (vi) use hazard insurance proceeds for any Common Properties losses for other than the repair, replacement or reconstruction of such properties.

The provisions of this Section 6.3 shall not be construed to reduce the percentage vote that shall be obtained from Eligible Mortgagees or Owners when a larger percentage vote is otherwise required for any of the actions described in this Section.

(b) Eligible Mortgagees may, jointly or singularly, pay taxes or other charges which are in default and which may or have become a charge against the Common Areas (if any) and may pay overdue premiums on casualty insurance policies, or secure new casualty insurance coverage upon the lapse of a policy, for the Common Area, and Eligible Mortgagees making such payments shall be entitled to immediate reimbursement from the Association.

6.4 Approval of Amendments. The failure of an Eligible Mortgagee or Eligible Insurer to respond within thirty (30) days to any written request of the Association for approval of an addition or amendment shall constitute an implied written approval of the addition or amendment.

6.5 Inspection of the Books. The Association shall have current copies of the Declaration, Articles of Incorporation, Bylaws, rules and regulations, books, records and financial statements available for inspection by Dwelling Unit Owners and by Eligible Mortgagees and Eligible Insurers during normal business hours or under reasonable circumstances

6.6 Financial Statements. The Association shall provide any Eligible Mortgagee or Eligible Insurer which submits a written request with a copy of an annual financial statement within ninety (90) days following the end of each fiscal year of the Association. Such financial statement shall be audited

by an independent certified public accountant, at the expense of the Association, if any Eligible Mortgagee or Eligible Insurer submits a written request for it.

6.7 Enforcement. The provisions of this Article are for the benefit of Eligible Mortgagees and Eligible Insurers and their successors and may be enforced by any of them by any available means, at law, or in equity.

6.8 Attendance at Meetings. Any authorized representative(s) of an Eligible Mortgagee or Eligible Insurer may attend and address any meeting of the Association which an Owner may attend.

ARTICLE VII

GENERAL PROVISIONS

7.1 Power of Attorney. Each and every Owner and Member hereby makes, constitutes and appoints Declarant as his/her true and lawful attorney-in-fact, coupled with an interest and irrevocable, for him/her and in his/her name, place and stead and for his/her use and benefit, to do the following:

(a) to exercise, do or perform any act, right, power, duty or obligation whatsoever in connection with, arising out of, or relating to any matter whatsoever involving this Declaration and the Properties;

(b) to sign, execute, acknowledge, deliver and record any and all instruments which modify, amend, change, enlarge, contract or abandon the terms within this Declaration, or any part hereof, with such clause(s), recital(s), covenant(s), agreement(s) and restriction(s) as Declarant shall deem necessary, proper and expedient under the circumstances and conditions as may be then existing; and

(c) to sign, execute, acknowledge, deliver and record any and all instruments which modify, amend, enlarge, contract or abandon the subdivision plats) of the Properties, or any part thereof, with any easements and rights-of-way to be therein contained as the Declarant shall deem necessary, proper and expedient under the conditions as may then be existing.

The rights, powers and authority of said attorney-in-fact to exercise any and all of the rights and powers herein granted shall commence and be in full force upon recordation of this Declaration in the Tarrant County Clerk's Office and shall remain in full force and effect thereafter until all the Lots owned by Declarant have been sold and conveyed by Declarant to Class A Members.

7.2 Duration. This Declaration shall run with and bind the land subject to this Declaration, and shall inure to the benefit of and be enforceable by the Association and/or the Owner of any land subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for an original fifty (50) year term expiring on the fiftieth (50th) anniversary of the date of recordation of this Declaration, after which time this Declaration shall be automatically extended for successive periods of ten (10) years unless an instrument is signed by the Owners of at least fifty-one percent (51%) of all Lots within the Properties and recorded in the Deed Records of Tarrant County, Texas, which contains and sets forth an agreement to abolish this Declaration; provided, however, no such agreement (where approved by less than seventy-five percent (75%) of the Owners of all Lots within the Properties) to

abolish shall be effective unless made and recorded one (1) year in advance of the effective date of such abolishment.

7.3 Amendments. This Declaration is expressly subject to change, modification and/or deletion by means of amendment at any time and from time to time as provided herein. This Declaration may be amended and/or changed in part as follows:

(a) In response to any governmental or quasi-governmental suggestion, guideline, checklist, requisite or requirement, particularly with respect to those entities or agencies directly or indirectly involved in, or having an impact on, mortgage financing, mortgage insurance and/or reinsurance, Declarant shall have the complete and unrestricted right and privilege to amend, change, revise, modify or delete portions of this Declaration, and each and every Owner and, Member specifically and affirmatively authorizes and empowers Declarant, utilizing the attorney-in-fact status set forth in Section 7.1 above, to undertake, complete and consummate any and all such amendments, changes, revisions, modifications or deletions as Declarant (in its sole and absolute discretion) shall deem reasonable and appropriate.

(b) Declarant may otherwise amend or change this Declaration by exercising its powers under Section 7.1 hereinabove or with the direct consent of at least fifty-one percent (51%) of the Owners of Lots within the Properties.

(c) At such time as Declarant no longer owns any Lot within the Properties, this Declaration may be amended either by (1) the written consent of at least fifty-one percent (51%) of the Owners of the Lots within the Properties, or (ii) the affirmative vote of the Members entitled to cast fifty-one percent (51%) of the votes of the Members of the Association entitled to vote who are present at a meeting duly called for such purpose. Any and all amendments shall be recorded in the Office of the County Clerk of Tarrant County, Texas.

7.4 Enforcement. Each Owner of each Lot shall be deemed, and held responsible and liable for the acts, conduct and omission of each and every Resident, Member, guest and invitee affiliated with such Lot, and such liability and responsibility of each Owner shall be joint and several with their Resident(s), Member(s), guests and invitees. The lien created hereby on each Lot shall extend to, cover and secure the proper payment and performance by each and every Resident, Member, guest and invitee affiliated with each Owner. Unless otherwise prohibited or modified by law, all parents shall be liable for any and all personal injuries and property damage proximately caused by the conduct of their children (under the age of 18 years) within the Properties. Enforcement of this Declaration may be initiated by any proceeding at law or in equity against any person or persons violating or attempting to violate them, whether the relief sought is an injunction or recovery of damages, or both, or enforcement of any lien created by this Declaration, but failure by the Association or any Owner to enforce any Covenant herein contained shall in no event be deemed a waiver of the right to do so thereafter. The Association and the City of Keller, Texas are specifically authorized (but not obligated) to enforce this Declaration. With respect to any litigation hereunder, the prevailing party shall be entitled to recover all costs and expenses, including reasonable attorney's fees, from the non-prevailing party.

7.5 Validity. Violation of or failure to comply with this Declaration shall not affect the validity of any mortgage, bona fide lien or other similar security instrument which may then be existing on any Lot. Invalidation of any one or more of the provisions of this Declaration, or any portions thereof, by

judgment or court order shall not affect any of the other provisions or covenants herein contained, which shall remain in full force and effect. In the event any portion of this Declaration conflicts with mandatory provisions of any ordinance or regulation promulgated by the City of Keller (including, without limitation, the applicable zoning ordinances of the City), then such municipal requirement shall control.

7.6 Headings. The headings contained in this Declaration are for reference purposes only and shall not in any way affect the meaning or interpretation of this Declaration. Words of any gender used herein shall be held and construed to include any other gender, and words in the singular shall be held to include the plural and vice versa, unless the context requires otherwise. Examples, illustrations, scenarios and hypothetical situations mentioned herein shall not constitute an exclusive, exhaustive or limiting list of what can or cannot be done.

7.7 Registration with the Association. Each and every Owner, Member and Resident shall have an affirmative duty and obligation to originally provide, and thereafter revise and update, within fifteen (15) days after a material change has occurred, various items of information to the Association such as (a) the full name and address of each Owner, Member and Resident, (b) the full name of each individual family member who resides within the residential dwelling of the Lot Owner, (c) the business address, occupation and telephone numbers of each Resident; (d) the description and license plate number of each automobile owned or used by a Resident and brought within the Properties; (e) the name, address and telephone numbers of other local individuals who can be contacted (in the event the Resident cannot be located) in case of an emergency; and (f) such other information as may be reasonably requested from time to time by the Association. In the event any Owner, Member or Resident fails, neglects or refuses to so provide, revise and update such information, then the Association may, but is not required to, use whatever means it deems reasonable and appropriate to obtain such information and the offending Owner, Member and Resident shall become automatically jointly and severally liable to promptly reimburse the Association for all reasonable costs and expenses incurred in so doing.

7.8 Notices to Resident/Member/Owner. Any notice required to be given to any Resident, Member or Owner under the provisions of this Declaration shall be deemed to have been properly delivered when (i) deposited in the United States mail, postage prepaid, addressed to the last known address of the person who appears as the Resident, Member or Owner on the records of the Association at the time of such mailing, or when (ii) delivered by hand or by messenger to the last known address of such person within the Properties; or when (iii) posted on the Association's bulletin board for at least thirty (30) consecutive calendar days.

7.9 Notices to Mortgagees. The holder(s) of a mortgage may be furnished with written notification from the Association of any default by the respective mortgagor/Member/Owner in the performance of such mortgagor's/Member's/Owner's obligation(s) as established by this Declaration, provided that the Association has been theretofore furnished, in writing, with the correct name and address of such mortgage holder(s) and a request to receive such notification and reasonable supply of self-addressed, stamped envelopes.

7.10 Disputes. Matters of dispute or disagreement between Owners, Residents or Members with respect to interpretation or application of the provisions of this Declaration or the Association By-laws, shall be determined by the Board. These determinations (absent arbitrary and capricious conduct or gross negligence) shall be final and binding upon all Owners, Residents and Members.

Witness the hand of an authorized representative of Declarant on the acknowledgment date noted below.

DECLARANT:

RCS/Idlewood, L.P., a Delaware limited partnership

By: Idlewood G nc.

By: Mark R. Wagner
Name: Mark R. Wagner
Title: President

Address: c/o RCS Investments
8440 Walnut Hill Lane, 8th Floor
Dallas, Texas 75231
(214) 373-6666

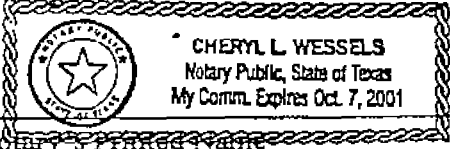
THE STATE OF TEXAS

COUNTY OF DALLAS

This instrument was acknowledged before me on 26th day of April, 1998, by "a of Idlewood GP, Inc., as general partner of

Mark R. Wagner RCS/Idlewood, Delaware limited partnership, on behalf of said limited partnership. 26th day of

GIVEN UNDER MY HAND AND SEAL C My commission expires:

C Cheryl L. Wesels 1998.
Notary Public in and for the State of Texas


Document # S9804 v.3
004802-0038

Return to:

American Title Company
13101 Preston Rd. # 200
Dallas, TX 75240

ATTEN: **KARR.**

EXHIBIT A

Parts of the J. Hibbins Survey, Abstract No. 640, and the T. Peck Survey, Abstract No. 1210, situated in the City of Keller in the northeast part of Tarrant County, Texas; and embracing a portion of the tract described in the deed to Hidden Lakes Partners, Ltd., recorded in Volume 12422, Page 1250 of the Tarrant County Deed Records.

Commencing at a 60d nail found in asphalt in Shady Grove Road for the most southerly southeast corner of said Hidden Lakes tract; and then run North 1 degree-25 minutes-35 seconds West along an east line of said Hidden Lakes tract 1547-93/100 feet to a 5/8" iron found for the northwest corner of Lot 1 of Spann Addition as it appears upon the map recorded in Volume 388-164, Page 62 of the Tarrant County Plat Records and for the southwest and beginning corner of the tract being described;

Thence North 1 degree-25 minutes-35 seconds West 5-97/100 feet to the beginning of a curve to the right having a radius of 2,035 feet;

Thence along said curve, an arc length of 1,408-95/100 feet to a 5/8" iron capped "TNP" set at its end, the long chord of said 1,408-95/100 feet arc is North 18 degrees-24 minutes-29 seconds East 1,380-98/100 feet;

Thence North 38 degrees-14 minutes-34 seconds East 107-35/100 feet to a 5/8" iron capped "TNP" set at the beginning of a curve to the left having a radius of 2,115 feet;

Thence along said curve, an arc length of 164-53/100 feet to a 5/8" iron capped "TNP" set for corner, the long chord of said 164-53/100 feet arc is North 36 degrees-no minutes-51 seconds East 164-49/100 feet;

Thence South 56 degrees-12 minutes-52 seconds East 182-89/100 feet to a 5/8" iron capped "TNP" set for corner;

Thence South 67 degrees-35 minutes-33 seconds East 164-69/100 feet to a 5/8" iron capped "TNP" set for corner;

Thence North 63 degrees-09 minutes-05 seconds East 307-11/100 feet to a 5/8" iron capped "TNP" set for corner;

Thence North 37 degrees-40 minutes-55 seconds West 130-99/100 feet to a 5/8" iron capped "TNP" set for corner;

Thence North 50 degrees-19 minutes-47 seconds East 128-43/100 feet to a 5/8" iron capped "TNP" set for corner;

Thence North 39 degrees-40 minutes-13 seconds West 163-41/100 feet to a 5/8" iron capped "TNP" set for the beginning of a curve to the left having a radius of 648-99/100 feet;

Thence along said curve, an arc length of 320-31/100 feet to a 5/8" iron capped

"TNP" set at its end and the beginning of a curve to the left having a radius of 2,115 feet. The long chord of said 320-31/100 feet arc *is* North 53 degrees-48 minutes-34 seconds West 317-07/100 feet;

Thence said curve to the Left having a radius of 2,115 feet, an arc length of 670-46/100 feet to a 5/8" iron capped "TNP" set at its end, the long chord of said 670-46/100 feet arc *is* North 10 degrees-20 minutes-21 seconds East 667-66/100 feet;

Thence North 1 degree-15 minutes-28 seconds East 221-30/100 feet to a 5/8" iron capped "TNP" set;

Thence North 3 degrees-33 minutes-29 seconds East 50-04/100 feet to a P.K. nail set in stump;

Thence North 1 degree-15 minutes-28 seconds East 150 feet to a 5/8" iron capped "TNP" set in the south line of Bear Creek Parkway *as it* appears upon the map recorded *in* Cabinet A, Slide 3336 of the said Plat Records;

Thence along the said south line of said Bear Creek Parkway the following:

South 88 degrees 44 minutes 32 seconds East 1,326-35/100 feet to a 5/8" iron capped "TNP" set for the beginning of a curve to the left having a radius of 4,550 *feet*, along said curve an arc length of 928-02/100 feet to a 5/8" iron capped "TNP" set for the northwest corner of the tract described in the deed to Lumbermen's Investment Corporation recorded in Volume 12422, Page 1242 of the said Deed Records and a re-entrant corner of said Hidden Lakes tract, the long chord of said 928-02/100 feet arc *is* North 85 degrees-24 minutes-53 seconds East 926-42/100 feet.

Thence along the west line of said Lumbermen's tract and a east line of said Hidden Lakes tract, along a curve to the right having a radius of 1,847-05/100 feet, an arc length of 457-49/100 feet to a 1/2" iron found, the long chord of said 457-49/100 feet arc *is* South 4 degrees-47 minutes-47 seconds East 456-32/100 feet;

Thence along the south line of said Hidden Lakes tract the following:

North 88 degrees-11 minutes-55 seconds West 313-03/100 feet to a 1/2" iron found;

South 1 degree-16 minutes-49 seconds East 29-97/100 feet;

North 89 degrees-36 minutes-48 seconds West 257-74/100 feet to a 1/2" iron found;

South 42 degrees-27 minutes-19 seconds West 3L-84/100 feet to a 1/2" iron found and from which another 1/2" iron found bears South 5 degrees-22 minutes-05 seconds East 4-82/100 feet;

South 2 degrees 18 minutes 50 seconds East 217-95/100 feet;

South 88 degrees-39 minutes-49 seconds West 435-40/100 feet to a railroad spike found in asphalt;

North 1 degree-40 minutes-41 seconds West 342-80/100 feet; and

South 88 degrees-25 minutes-21 seconds West 301-40/100 feet to a 1/2" iron found for re-entrant corner of said Ridden Lakes tract.

Thence continuing along an east line of said Hidden Lakes tract the following: South 1 degree-17 minutes-20 seconds East 342-34/100 feet;

South 87 degrees-25 minutes-no seconds West 17-79/100 feet to a 1/2" iron found; South 4 degrees-12 minutes-09 seconds East 349-95/100 feet to a 3/4" pipe found;

North 85 degrees-23 minutes-45 seconds East 113-69/100 feet to a 1/2" iron found;

South 1 degree-17 minutes-47 seconds East 434-03/100 feet to a point from which a fence post bears North 75 degrees-47 minutes-51 seconds East 4-18/100 feet;

South 75 degrees-47 minutes-51 seconds West 75-13/100 feet to a fence corner post;

South no degrees-36 minutes-05 seconds West 294-62/100 feet to a 1/2" iron found;

North 84 degrees-06 minutes-31 seconds East 83-22/100 feet to a 5/8" iron found;

South 1 degree-11 minutes-37 seconds East 200-04/100 feet to a 1/2" iron rod found;

and South 1 degree-22 minutes-no seconds East 1,072-99/100 feet to a 3/4" iron found for a re-entrant corner of said Hidden Lakes tract;

Thence North 88 degrees-01 minute-55 seconds East, along a north line of said Hidden Lakes tract, 231-01/100 feet to a 3/4" iron found for a northeast corner of said Hidden Lakes tract;

Thence South 1 degree-25 minutes-15 seconds East, along an east line of said Hidden Lakes tract, 354-52/100 feet to a 1/2" iron found for a southeast corner of said Hidden Lakes tract;

Thence South 87 degrees-55 minutes-38 seconds West, along the south line of said Hidden Lakes tract, 512-51/100 feet to a 1/2" iron found for the southwest

corner of said Hidden Lakes tract;

Thence North 1 degree-58 minutes-36 seconds West, along a west line of said -
Hidden Lakes tract, 354-59/100 feet to a 1/2" iron found for a re-entrant corner of said Hidden
Lakes tract;

Thence along the said south line of Hidden Lakes tract the following;

South 88 degrees-06 minutes-20 seconds West 610-33/100 feet to a 2" iron found; South 34 degrees-38
minutes-42 seconds West 429-94/100 feet to a 3/4" axle found;

North no degrees-37 minutes-46 seconds West 351-16/100 feet to a 5/8" iron found, and

South 29 degrees-27 minutes-01 second West 857-84/100 feet to the place of beginning and
containing 119-751/1000 acres.

IDLEWOOD AT HIDDEN LAKES HOMEOWNERS ASSOCIATION, INC.

**UNANIMOUS CONSENT
IN LIEU OF ORGANIZATION MEETING
OF THE BOARD OF DIRECTORS**

The undersigned, being all of the members of the Board of Directors (the "Board of Directors") of Idlewood at Hidden Lakes Homeowners Association, Inc., a Texas non-profit corporation (the "Company"), named in its Articles of Incorporation, which were filed with the Secretary of State of the State of Texas on October 30, 1998, do hereby waive notice and call by a majority of the directors of the Company for the organization meeting of the Board of Directors and do hereby consent to the adoption of the following resolutions, which resolutions shall be deemed to be adopted as of the date hereof to the same extent and to have the same force and effect as if such resolutions were adopted by a unanimous vote of the Board of Directors at a duly convened meeting held for such purpose, all in accordance with Article 9.30 of the Texas Nonprofit Corporation Act

Articles
of
Incorporation

RESOLVED, that the Articles of Incorporation of the Company, as filed by the Incorporator of the Company with the Secretary of State of Texas on October 30, 1998, be inserted in the corporate minute book of the Company.

II. Directors

RESOLVED, that each director hereby acknowledges that he is named as such in the Articles of Incorporation of the Company and does hereby agree to serve as a member of the Board of Directors of the Company until the first annual meeting of members or until his successor has been duly elected and qualified or until his earlier death, resignation or removal.

III. Bylaws

RESOLVED, that the corporate bylaws submitted to and reviewed by each director be and they hereby are approved and adopted as the Bylaws of the Company and that such Bylaws be inserted in the corporate minute book of the Company.

IV Officers RESOLVED, that the following persons be, and they hereby are elected to the offices set forth opposite their respective

names, to hold office until their respective successors have been duly elected and qualified or until their earlier death, resignation or removal (the "Officers"):

Mark R. Wagner	President
Jerry W. Ragsdale	Vice President and Secretary
Jenifer S. Carnahan	Vice President and Treasurer

RESOLVED FURTHER, that the Officers of the Company shall assume and perform their respective duties and responsibilities, as set forth in the Company's Bylaws, and shall otherwise carry on the business of the Company, effective immediately.

Corporate Seal RESOLVED, that the corporate seal, an impression of which is affixed hereto, be and it hereby is adopted and approved as the corporate seal of the Company.

[Corporate Seal]

VI. Bank Accounts

RESOLVED, that each of the Officers of the Company be, and each acting singly hereby is, authorized and empowered to open bank accounts on behalf of the Company in such banks, and designate the Officers authorized to sign checks, notes, drafts, bills of exchange, acceptances, undertakings or orders for payment of money from funds of the Company on deposit in such accounts, as may be deemed by such Officers, or any of them, to be necessary, appropriate or otherwise in the best interests of the Company.

RESOLVED FURTHER, that the Secretary of the Company be, and they hereby are, authorized and empowered to execute any form of required resolution necessary to open any such bank accounts, such resolutions being hereby incorporated into this resolution by reference and duly approved and affirmed hereby.

VII. Qualification to do Business

RESOLVED, that each of the Officers of the Company be, and each acting singly hereby is, authorized and empowered to make and file on behalf of the Company such certificates, reports or other instruments as may be required by law to be filed in any state, territory or dependency of the United States, or in any

foreign country in which said Officers, or any of them, deem it necessary, appropriate or otherwise in the best interests of the Company to file same in order to authorize the Company to transact business in such state, territory, dependency or foreign country.

VIII. Organization Fees RESOLVED, that the Treasurer be and hereby is, authorized and empowered to pay any and all fees and expenses incident to and necessary to perfect the organization of the Company.

IX. Further Acts RESOLVED, that each of the Officers of the Company be, and each acting singly hereby is, authorized and empowered to take or cause to be taken all such further action and to sign, execute acknowledge, certify, attest, deliver, accept, record and file all such further instruments in the name and on behalf of the Company as they may deem necessary, desirable or advisable in order w carry out the intent of and to accomplish the purposes of the foregoing organizational resolutions.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned have set
their hands to be effective the 2'day of November,1998

DALLAS d 170997 v 01



Jenifer S. Carnahan
Director