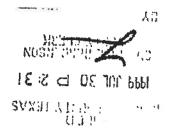
ORIGINAL

# DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR THE RESORT AT EAGLE MOUNTAIN LAKE



If any provision of this Declaration is determined by judgment or court order to be invalid, or invalid as applied in a particular instance, such determination shall not affect the validity of other provisions or applications.

# 1.3. Governing Documents.

The Governing Documents shall apply to Owners as well as occupants of Lots and their respective tenants, guests, and invitees. Any lease of a Lot shall provide that the lessee and all occupants of the leased Lot shall be bound by the terms of the Governing Documents.

In the event of a conflict between Texas law, the Articles of Incorporation, the Declaration, and the By-Laws, the provisions of Texas law, the Declaration, the Articles, and the By-Laws (in that order) shall prevail, unless otherwise determined by the Declarant, in its sole and absolute discretion.

# Article II Definitions.

The terms used in the Governing Ducuments shall be given their natural, commonly accepted definitions unless otherwise specified. Capitalized terms shall be defined as set forth below.

- 2.1. "Architectural Review Committee" or "ARC": The committee established by the Board to review plans and applications for the modification of improvements within The Resort (subject to the rights reserved in Declarant in Section 4.2(a)) and to administer and enforce the architectural controls described in Article IV.
- 2.2. "Area of Common Responsibility": The Common Area, together with such other areas, if any, for which the Association has or assumes responsibility pursuant to the terms of this Declaration, any Supplemental Declaration, or other applicable covenants, contracts, or agreements.
- 2.3. "Articles of Incorporation" or "Articles": The Articles of Incorporation of The Resort at Eagle Mountain Lake Owners Association, Inc., as filed with the Toxas Secretary of State.
- 2.4. "Association": The Resort at Eagle Mountain Lake Owners Association, Inc., a Texas nonprofit corporation, its successors or assigns.
- 2.5. "Base Assessment": Assessments levied on all Lots subject to assessment under Article VIII to fund Common Expenses for the general benefit of all Lots, as determined in accordance with Section 8.1.
- 2.6. "Board of Directors" or "Board": The body responsible for administration of the Association, selected as provided in the By-Laws.
- 2.7. "Builder": Any Person who purchases one or more Lots within The Resort for the purpose of constructing improvements for later sale to consumers in the ordinary course of such Person's business.
- 2.8. "By-Laws": The By-Laws of The Resort at Eagle Mountain Lake Owners Association, Inc., as adopted by the Board of Directors, and as may be ameaded from time to time.
  - 2.9. "Class "A" Members": All Owners except the Class "B" Member, If any.

# 2.10. "Class "B" Members": Declarant.

- 2.11 "Class "B" Control Period": The period of time during which the Class "B" Member is entitled to appoint a majority of the members of the Board. The Class "B" Control Period shall expire upon the first to occur of the following:
  - (a) Declarant no longer owns record title to any Lot and Declarant no longer holds a lien interest in any Lot;
  - (b) December 31, 2020; or
  - (c) when, in its sole discretion, the Class "B" Member so determines.
- 2.12. "Common Area": All real and personal property, including easements, which the Association owns, leases, or otherwise holds possessory or use rights in for the common use and enjoyment of the Owners. The Common Area shall initially include all of those areas set forth on Exhibit "B" attached hereto, which may be modified and amended by Declarant from time to time, either by including certain additional areas and/or amenities or deleting areas and amenities therefrom.
- 2.13. "Common Expenses": The actual and estimated expenses incurred, or anticipated to be incurred, by the Association for the general benefit of all Owners, including any reasonable reserve, as the Board may find necessary and appropriate pursuant to the Governing Documents. Common Expenses shall not include any expenses incurred during the Class "B" Control Period for initial development or other original construction costs.
- 2.14. "Community-Wide Standard": The standard of conduct, maintenance, or other activity generally prevailing within The Resort. Minimum standards may be established through the Design Guidelines, Use Restrictions/Rules and Regulations, and Board resolutions, and shall initially be established by Declarant. The Community-Wide Standard may contain both objective and subjective elements and may evolve as development progresses and as the needs and desires within The Resort change.
- 2.15. "Declarant": The Resort at Eagle Mountain Lake, L.P., a Texas limited partnership, or any successor or assign who takes title to any portion of the property described in Exhibit "A" (or any other property supplemented to this Declaration), for the purpose of development and/or sale, and who is expressly designated as Declarant in a Recorded instrument executed by the immediately preceding Declarant.
- 2.16. "Design Guidelines": The architectural, design, development, landscaping, and other guidelines, standards, controls, and procedures adopted pursuant to Article IV and applicable to The Resort. The initial Design Guidelines for The Resort shall be those entitled "Architectural Rules" attached hereto as Exhibit "C" and as may be amended from time to time by Declarant, in Declarant's sole and absolute discretion, and any such amendment may or may not be Recorded in the real property records of Tarrant County, Texas. Any Builder, proposed Builder, Owner, or proposed Owner desiring to construct improvements within The Resort are hereby expressly notified that the Design Guidelines attached hereto may not encompass all of the building guidelines or requirements associated with The Resort and any such party shall request from the Declarant or the ARC a copy of any supplement or modification to the Design Guidelines.
- 2.17. "Golf Course": That certain real property, and improvements and facilities thereon, located on the vicinity of The Resort, which shall be owned by the Association and shall be operated as a private golf course for the use and enjoyment of the Members, Owners and their

families, lessees, and guests. At this time it is not anticipated that the Golf Course be open to players who are not Members, Owners, or their families, lessees or guests; however, the Declarant and the Association reserve the right to explore this option at a future date as a source of income to the Association, provided that any change in opening the Golf Course to players who are not Members, Owners, or their families, lessees or guests must be approved by (i) a majority of the Members of the Association, and (ii) the Declarant.

- 2.18. "Governing Documents": A collective term referring to this Declaration and any applicable Supplemental Declaration, the By-Laws, the Articles of Incorporation, the Use Restrictions/Rules and Regulations, and the Design Guidelines, as each may be amended from time to time.
- 2.19. "Lot": A portion of The Resort, whether improved or unimproved, which may be independently owned and is intended for development, use, and occupancy as a residence for a single family. The term shall refer to any land which is part of the Lot as well as any improvements thereon. Prior to the approval and Recording of a final plat covering such property, a parcel of land shall be deemed to contain the number of Lots described on a preliminary plat approved by the appropriate authority of Tarrant County, Texas. Any parcel of land not shown on an approved preliminary plat shall be deemed to contain a single Lot. Upon the Recording of a final plat, notwithstanding any previous preliminary plat covering the same property. Lots shall be determined based upon the final plat.
- 2.20. "Master Plan": The land use plan for The Resort prepared by Halff Associates, Inc., as approved by the appropriate authority, as it may be amended, which includes all of the property described in Exhibit "A".
  - 2.21. "Member": A Person who is a member in the Association pursuant to Section 6.2.
- 2.22. "Mortgage": A mortgage, a deed of trust, a deed to secure debt, or any other form of security instrument affecting title to any Lot. A "Mortgagee" shall refer to a beneficiary or holder of a Mortgage.
- 2.23. "Owner": One or more Persons holding record title to any Lot, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Lot is sold under a Recorded contract of sale, and the contract specifically so provides, the purchaser (rather than the fee owner) will be considered the Owner.
- 2.24. "Person": A natural person, a corporation, a partnership, a trustee, a limited liability company, or any other legal entity.
- 2.25. "Record." "Recording." or "Recorded": The filing of a legal instrument in the Real Property Records of Tarrant County, Texas, or such other place which is designated as the official location for recording deeds, plats, and similar documents affecting title to real estate.
- 2.26. "Special Assessment": Assessments levied against all Owners to cover unanticipated expenses in excess of those hudgeted, as described in Section 8.3.
- 2.27. "Specific Assessment": An assessment levied against a particular Lot or Lots for expenses incurred or to be incurred by the Association in accordance with Section 8.4.
- 2.28. "Supplemental Declaration": A Recorded instrument which accomplishes one or more of the following purposes: (a) subjects additional property to this Declaration, or (b) imposes, expressly or by reference, additional restrictions and obligations on the land described.

- 2.29. "Use Restrictions/Rules and Regulations": The use restrictions and rules affecting The Resort, as they may be adopted, modified, and repealed as set forth in Article III. The initial Use Restrictions/Rules and Regulations are set forth in Exhibit "D".
- 2.30. "The Resort Community": The real property described in Exhibit "A". together with such additional property as is subjected to this Declaration in accordance with Article IX, and the Common Area.

### PART TWO: CREATION AND MAINTENANCE OF COMMUNITY STANDARDS

The standards for use, conduct, maintenance, and architecture at The Resort give the community its identity and make The Resort a place that people want to call "home." This Declaration establishes procedures for rulemaking as a dynamic process which allows the community standards to evolve as The Resort changes and grows over time.

### Article III Use and Conduct.

### 3.1. Framework for Regulation.

The Governing Documents establish, as part of the general plan of development for The Resort, a framework of affirmative and negative covenants, casements, and restrictions which govern The Resort. Within that framework, the Board and the Members must have the ability to respond to unforeseen problems and changes in circumstances, conditions, needs, desires, trends, and technologies which inevitably will affect The Resort, its Owners and residents. This Article establishes procedures for adopting, amending, canceling, and otherwise modifying Use Restrictions/Rules and Regulations, including the initial Use Restrictions/Rules and Regulations set forth in Exhibit "D".

- 3.2. Rule Making Authority. The following authority is specifically subject to, and not a limitation of, the express unilateral right and authority of Declarant, in its sole and absolute discretion, to modify and amend this Declaration of any part thereof, as permitted in Section 17.1 hereof.
- (a) Subject to the terms of this Article and the Board's duty to exercise business judgment and reasonableness on behalf of the Association and its Members, the Board may adopt, amend, cancel, or otherwise modify the Use Restrictions/Rules and Regulations then in effect. The Board shall post a notice in a prominent place within The Resort or send notice by mail to all Owners of such proposed action at least 30 days prior to the Board meeting at which Board approval of such action is to be considered. Members shall have a reasonable opportunity to be heard at a Board meeting prior to such action being made effective by the Board.

Such action shall become effective after compliance with subsection (c) below, unless disapproved (i) at a meeting by Members representing at least 67% of the total Class "A" votes in the Association and by the Class "B" Member, if any; or (ii) by the Class "B" Member, acting independently. The Board shall have no obligation to call a meeting of the Members to consider disapproval except upon receipt of a petition of the Members as required for special meetings in the By-Laws. Upon such petition of the Members being presented to the Board, the proposed action shall not become effective until after such meeting is held and then subject to the outcome of such meeting.

(b) Alternatively, at an Association meeting duly called for such purpose, the Members representing more than 50% of the total Class "A" votes in the Association may vote to adopt rules

which amend, cancel, or otherwise modify Use Restrictions/Rules and Regulations then In effect. Such action shall require the approval of the Class "B" Memher, in its sole and absolute discretion,

- (c) Prior to any action taken under subsections (a) or (b) of this Section becoming effective, the Board shall send a copy of the new rule or explanation of any changes to the Use Restrictions/Rules and Regulations to each Owner. The effective date shall be at least 20 days following distribution to the Owners. The Association shall provide, without cost, a copy of the Use Restrictions/Rules and Regulations then in effect to any requesting Member or Mortgagee.
- (d) Nothing in this Article shall authorize the Board or the Members to modify, repeal, or expand the Design Guidelines or other provisions of this Declaration. The Design Guidelines may be amended only as provided in Article IV. In the event of a conflict between the Design Guidelines and the Use Restrictions/Rules and Regulations, the Design Guidelines shall control.
- (e) The procedures required under this Section 3.2 shall not apply to the enactment and enforcement of rules and regulations governing use and operation of the Common Area which the Board may adopt pursuant to Section 7.1(c), unless the Board chooses in its discretion to submit to such procedures. Examples of such administrative rules and regulations shall include, but are not limited to, hours of operation of a recreational facility, speed limits on private roads, and the method of allocating or reserving use of a facility (if permitted) by particular individuals at particular times. The Board shall exercise business judgment in the enactment, amendment, and enforcement of such administrative rules and regulations.

# 3.3. Owners' Acknowledgment and Notice to Purchasers.

All Owners are hereby given notice that use of their Lots and the Common Area is limited by the Use Restrictions/Rules and Regulations and that the Use Restrictions/Rules and Regulations may be amended, canceled, and otherwise modified hereunder. Each Owner, by acceptance of a deed, acknowledges and agrees that the use and enjoyment and marketability of such Owner's Lot can be affected by the Use Restrictions/Rules and Regulations, as they may change from time to time. All purchasers of Lots are on notice that changes may have been adopted by the Association and that such revised Use Restrictions/Rules and Regulations may not have been Recorded. Copies of the current Use Restrictions/Rules and Regulations may be obtained from the Association.

### 3.4. Protection of Owners and Others.

Except as may be contained in this Declaration either initially or by amendment or in the initial Use Restrictions/Rules and Regulations set forth in Exhibit "D", all Use Restrictions/Rules and Regulations shall comply with the following provisions:

- (a) Similar Treatment. Similarly situated Owners shall be treated similarly.
- (h) <u>Displays</u>. The rights of Owners to display religious and holiday signs, symbols, and decorations inside structures on their Lots shall not be abridged, except that the Association may adopt time, place, and manner restrictions with respect to displays visible from outside the dwelling. No rules shall regulate the content of political signs; however, rules may regulate the time, place, and manner of posting such signs (including design criteria).
- (c) Activities Within Dwellings. No rule shall interfere with the activities carried on within the confines of dwellings, except that the Association may prohibit activities not normally associated with property restricted to residential use, and it may restrict or prohibit any activities that create monetary costs for the Association or other Owners, that create a danger to the health or safety of occupants of other Lots, that generate excessive noise or traffic, that create unsightly

conditions visible outside the dwelling, or that create an unreasonable source of annoyance.

(d) Allocation of Burdens and Benefits. No rule shall alter the allocation of financial burdens among the various Lots or rights to use the Common Area to the detriment of any Owner over that Owner's objection expressed in writing to the Association, except as provided in Section

Nothing in this provision shall prevent the Association from adopting generally applicable rules for use of Common Area or from denying use privileges to those who abuse the Common Area or violate the Governing Documents. This provision does not affect the right to increase the amount of assessments as provided in Article VIII.

- (c) Alienation. No rule shall prohibit leasing or transfer of any Lot, or require consent of the Association or Board for leasing or transfer of any Lot; provided, the Association or the Board may require a minimum lease term of up to 12 months. The Association may require that Owners use lease forms approved by the Association, but shall not impose any fee on the lease or transfer of any Lot greater than an amount reasonably based on the costs to the Association of administering that lease or transfer.
- (f) Abridging Existing Rights. No rule shall require an Owner to dispose of personal property that was in or on a Lot prior to the adoption of such rule and which was in compliance with all rules previously in force. This exemption shall apply only for the duration of such Owner's ownership of the personalty on the Lot, and this right shall not run with title to any Lot.
- (g) Reasonable Rights To Develop. No rule or action by the Association or Board shall impair, impede, interfere with, reduce, binder, or delay the right of Declarant to develop The Resort.

The limitations described in this Section 3.4 shall only limit rulemaking authority exercised under Section 3.2; they do not limit amendments to this Declaration adopted in accordance with Article XVII.

# Article IV Architecture and Landscaping.

### 4.1. General.

No structure shall be placed, erected, or installed upon any Lot, and no improvements (including staking, clearing, excavation, grading, and other site work, exterior alteration or modification of existing improvements, and planting or removal of landscaping materials) (such activities being referred to in this Article as "Work") shall take place except in compliance with this Article and the Design Guidelines promulgated pursuant to Section 4.3.

Notwithstanding the above, an Owner may remodel, paint, or redecorate the interior of structures on his Lot without approval. However, modifications to the interior of screened porches, patios, and similar portions of a Lot visible from outside the structures on the Lot shall be subject to approval. No approval shall be required to repaint the exterior of a structure in accordance with the originally approved color scheme or to rebuild in accordance with originally approved plans and specifications.

All dwellings constructed on any portion of The Resort shall be designed by and built in accordance with the plans and specifications of a licensed architect, unless otherwise acceptable to Declarant or the Architectural Review Committee, as appropriate, in their sole discretion. All plans and specifications shall be subject to review as provided herein.

This Article shall not apply to the activities of Declarant, nor to improvements to the Common Area by or on behalf of the Association.

This Article may not be amended without Declarant's written consent so long as Declarant owns any portion of The Resort.

### 4.2. Architectural Review.

- (a) New Construction. Until 100% of the Lots permitted by the Master Plan have been conveyed to Class "A" Members and a certificate of occupancy for a single-family residence has been issued by the appropriate governmental authority as to each Lot, Declarant shall have exclusive and absolute authority to administer and enforce architectural controls and to review and act upon all applications for original construction within The Resort. There shall be no surrender of this right prior to that time except in a written instrument executed and Recorded by Declarant. Declarant, acting in its sole discretion, may assign its rights bereunder in whole or in part, at any time, to another party.
- (b) Architectural Review Committee: Modifications. Within one year of the date of Recording of this Declaration, the Board shall establish the ARC, which shall consist of at least three Persons. Members of the ARC shall be appointed and shall serve at the discretion of the Board; provided, however, as long as Declarant owns any property for development or sale within The Resort, it shall be entitled to appoint all members of the ARC. The members of the ARC may, but need not, include architects, engineers, or similar professionals, whose compensation, if any, shall be established from time to time by the Board.

The ARC shall have jurisdiction over modifications, additions, or alterations made on or to existing structures and landscaping on a Lot. Declarant, in its sole discretion, also may assign to the ARC jurisdiction over original construction within The Resort. As long as Declarant owns any property for development or sale within The Resort, the ARC shall notify the Declarant of any action taken under this Article IV. During such time, Declarant shall have the right, in its sole and absolute discretion, to veto any action taken by the ARC; provided, Declarant's right to veto must be exercised within ten days of its receipt of notice of action taken by the ARC. The party applying for approval shall not be notified of the ARC's approval or disapproval until after Declarant's right to veto has been exercised or has expired.

For purposes of this Article, "Reviewing Body" shall refer to either Declarant, the ARC, or such other party to whom Declarant has assigned its rights under this Article, as applicable under the circumstances.

### 4.3. Guidelines and Procedures.

(a) <u>Design Guidelines</u>. Declarant shall have the right, in its sole and absolute discretion, to amend the Design Guidelines for The Resort until expiration of the Class "B" Control Period; provided, Declarant, in its sole discretion, may assign such right to the Board at an earlier time. Upon expiration of Declarant's right to amend, the Board shall have the authority to amend the Design Guidelines. There shall be no limitation on the scope of amendments to the Design Guidelines; Declarant or the Board, as appropriate, is expressly authorized to amend the Design Guidelines to remove requirements previously imposed or otherwise to make the Design Guidelines less restrictive.

The Association shall make the Design Guidelines available to Owners and Builders who seek to engage in development or construction within The Resort, and all such Persons shall

conduct their activities in accordance with such Design Guidelines.

All structures and improvements constructed upon a Lot shall be constructed in strict compliance with the Design Guidelines in effect at the time the plans are submitted to and approved by the Reviewing Body, unless the Reviewing Body has granted a variance in writing pursuant to Section 4.5. So long as the Reviewing Body has acted in good faith, its findings and conclusions with respect to appropriateness of, applicability of, or compliance with the Design Guidelines and this Declaration shall be final.

(b) Procedures. No Work shall commence on any Lot until an application for approval has been submitted to and approved in writing by the Reviewing Body. Such application shall be in the form required by the Reviewing Body and shall include plans and specifications ("Plans") showing the site layout, structural design, exterior elevations, exterior materials and colors, signs, landscaping, drainage, lighting, irrigation, utility facilities layout and screening therefor, and other features of proposed construction, as applicable, which shall be submitted with an application processing fee initially set at \$150 per application, however, such amount may be changed from time to time, as the Reviewing Body, in its sole discretion, deems fit and proper. The Reviewing Body may require the submission of such additional information as it deems necessary to consider any application. The Plans shall be in such form and shall contain such information as may reasonably be required pursuant to the Design Guidelines.

In reviewing each submission, the Reviewing Body may consider (but shall not be limited to consideration of) visual and environmental impact, ecological compatibility, natural platforms and finished grade elevations, the quality of workmanship and design, harmony of external design with surrounding structures and environment, location in relation to surrounding structures and plant life, architectural merit, and compliance with the general intent of the Design Guidelines and the general scheme of development for The Resort. Decisions of the Reviewing Body may be based on purely aesthetic considerations.

A schedule and procedures outlining the specified Plans to be submitted at specific times shall be established by the Reviewing Body and may be set forth in the Design Guidelines. The Reviewing Body shall, within 30 days after receipt of each required submission of Plans, advise the party submitting the same, in writing, at an address specified by such party at the time of submission, of (i) the approval of Plans, or (ii) the disapproval of such Plans, specifying the segments or features of the Plans which are objectionable and suggestions, if any, for the curing of such objections. In the event the Reviewing Body fails to advise the submitting party by written notice within the time set forth above of either the approval or disapproval of the Plans, the applicant may give the Roviewing Body written notice of such failure to respond, stating that, unless the Reviewing Body responds within ten days of receipt of such notice, approval shall be deemed granted. However, no Plans, whether expressly approved or deemed approved pursuant to the foregoing, shall be inconsistent with the Design Guidelines unless a variance has been granted in writing pursuant to Section 4.5.

Notice shall be deemed to have been given three (3) business days after the envelope containing such notice, properly addressed, and postage prepaid, is deposited with the U.S. Postal Service, certified mail, return receipt requested. Personal delivery of such written notice also shall be sufficient and shall be deemed to have been given at the time of delivery.

(c) Commencement and Completion of Work. Declarant shall review the plans for each residence to be constructed and the time frame for construction of each residence on a case by case basis. Unless an alternate time period is approved in writing by Declarant, in Declarant's sole discretion, then all Work must be commenced on Lots within one year after the date such Lot is purchased from Declarant and all Work must be completed within one year after commencement of construction unless completion within such time is delayed due to causes beyond the reasonable control of the Owner, as determined in the sole discretion of the Reviewing Body, provided,

however, in no event shall such time period extend beyond two (2) years after the date such Lot is purchased from Declarant.

# 4.4. No Waiver of Future Approvals.

Each Owner acknowledges that the Reviewing Body and its members will change from time to time and that opinions on aesthetic matters, as well as interpretation and application of the Design Guidelines, may vary accordingly. In addition, each Owner acknowledges that it may not always be possible to identify objectionable features of proposed Work within the scope of this Article until the Work is completed, in which case it may be unreasonable to require changes to the improvements involved. Approval of applications or Plans for any Work done or proposed, or in connection with any other matter requiring approval, shall not be deemed to constitute a waiver of the right of the Reviewing Body to withhold approval as to any similar applications, Plans, or other matters subsequently or additionally submitted for approval.

# 4.5. Variances.

The Reviewing Body may authorize variances from strict compliance with the Design Guidelines or any required procedures (a) in narrow circumstances where the design meets the intent of the provision from which variance is sought and where granting the variance would enhance design innovation and excellence, or (b) when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations so require. No variance shall (aa) be effective unless in writing; (bb) be contrary to this Declaration; or (cc) estop the Reviewing Body from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, issuance of any permit, or the terms of any financing shall not constitute hardships.

# 4.6. Limitation of Liability.

The standards and procedures established by this Article are intended as a mechanism for maintaining and enhancing the overall aesthetics of The Reson; they do not create any duty to uny Person. Review and approval of any application pursuant to this Article are made on the hasis of aesthetic considerations only, and the Reviewing Body shall not bear any responsibility for ensuring (a) structural integrity or soundness of approved construction or modifications, (b) compliance with building codes and other governmental requirements; or (c) conformity of quality, value, size, or design among Lots.

Except as may be provided in a separate written agreement, Declarant, the Association, the Board, the ARC, and any committee, or member of any of the foregoing shall not be held liable for soil conditions, drainage, or other general site work, or for any defects in Plans revised or approved hereunder, or for any injury, damages, or loss arising out of the manner or quality of approved construction on or modifications to any Lot. In all matters, the Board, the ARC, and any member thereof shall be defended and indemnified by the Association as provided in Section 7.6.

# 4.7. Certificate of Compliance.

Any Owner may request that the Reviewing Body issue a Certificate of Architectural Compliance certifying that there are no known violations of this Article. The Association shall either grant or deny such request within 15 days after receipt of a written request and may charge a reasonable administrative fee for issuing such certificates. Issuance of such a certificate shall estop

the Association from taking enforcement action with respect to any condition as to which the Association had notice as of the date of such certificate.

### 4.8. Fees: Assistance.

The Reviewing Body may establish and charge reasonable fees for review of applications hereunder and may require such fees to be paid in full prior to review of any application. Such fees may include the reasonable costs incurred in having any application reviewed by architects, engineers, or other professionals. Declarant and the Association may employ architects, engineers, or other Persons as deemed necessary to perform the review. The Board may include the compensation of such Persons in the Association's annual operating budget as a Common Expense.

# 4.9. Enforcement.

Any Work performed in violation of this Article or the Design Guidelines shall be deemed nonconforming. Upon written request from Declarant, the ARC, or the Board, Owners shall, at their own cost and expense, cure such nonconforming condition or remove such structure or improvement and restore the property to substantially the same condition as existed prior to the nonconforming work. Should an Owner fail to cure or remove and restore as required, Declarant, the Association, or the designees of either shall have the right to enter the property, remove the violation, and restore the property to substantially the same condition as previously existed. All costs, together with interest at the maximum rate then allowed by law, may be assessed against the benefited Lot and collected as a Specific Assessment.

All approvals granted hereunder shall be deemed conditioned upon completion of all elements of the approved Work and all Work previously approved with respect to the same Lot, unless approval to modify any application has been obtained. In the event that any Person fails to commence and diligently pursue to completion all approved Work, Declarant or the Association shall be authorized, after providing notice and an opportunity for the Owner to be heard as provided for in the By-Laws, to enter upon the Lot and remove or complete any incomplete work and to assess all costs incurred against the Lot and the Owner thereof as a Specific Assessment.

In addition to the foregoing, the Association and Declarant shall have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of this Article and the decisions of the Reviewing Body.

# Article V Maintenance and Repair.

# 5.1. Maintenance of Area of Common Responsibility.

The Association shall maintain the Area of Common Responsibility as more particularly described in Section 7.2.

# 5.2. Maintenance of Lots.

Each Owner shall maintain such Owner's Lot, including all landscaping and improvements comprising the Lot, in a neat and attractive condition consistent with the Governing Documents, the Community-Wide Standard, and all applicable covenants, unless such maintenance responsibility is otherwise specifically assumed by or assigned to the Association. The obligation to maintain a Lot shall include, but not be limited to, the obligation immediately to repair or replace damaged fencing, including missing and leaning slats, and to promptly repaint, as needed to comply with the Community-Wide

# Standard, the fence, dwellings and other improvements on the Lot.

# 5.3. Responsibility for Repair and Replacement.

Unless otherwise specifically provided in the Governing Documents or in other instruments creating and assigning maintenance responsibility, responsibility for maintenance shall include responsibility for such repair and replacement necessary to maintain the property to a level consistent with the Community-Wide Standard. Repair and replacement may include improvement, if necessary to comply with applicable building codes or other regulations or if otherwise deemed appropriate, in the Board's reasonable discretion.

Each Owner further covenants and agrees that in the event of damage to or destruction of structures on such Owner's Lot, the Owner shall proceed promptly to repair or to reconstruct in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with Article IV. Alternatively, the Owner shall clear the Lot and maintain it in a neat and attractive, landscaped condition consistent with the Community-Wide Standard. The Owner shall pay any costs which are not covered by insurence proceeds.

# 5.4. Party Structures.

- (a) General Rules of Law To Apply. Each wall, fence, driveway, or similar structure built as a part of the original construction on the Lots which serves and/or separates any two adjoining Lots shall constitute a party structure. To the extent not inconsistent with the provisions of this Section, the general rules of law regarding party structures and liability for property damage due to negligence or willful acts or omissions shall apply thereto.
- (b) Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party structure shall be shared equally by the Owners who make use of the party structure.
- (c) Damage and Destruction. If a party structure is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any Owner who is served by the structure may restore it. If other Owners thereafter are served by the structure, they shall contribute to the restoration cost in equal proportions. However, such contribution will not prejudice the right to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.
- (d) Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Section shall be appurtenant to the land and shall pass to such Owner's successors-in-title.
- (e) <u>Disputes</u>. Any dispute arising concerning a party structure shall be handled in accordance with the provisions of Article XII.

# PART THREE: COMMUNITY GOVERNANCE AND ADMINISTRATION

The success of The Resort is dependent upon the support and participation of every Owner in its governance and administration. The Declaration establishes the Association as the entity through which each Owner is able to provide that support and participation. While many powers and responsibilities are vested in the Association's Board of Directors, some decisions are reserved for the Association's membership -- the Owners within The Resort.

### Article VI The Association and its Members.

# 6.1. Function of Association.

The Association is the entity responsible for management, maintenance, operation, and control of the Area of Common Responsibility. The Association also is the primary entity responsible for enforcement of the Governing Documents. The Association shall perform its functions in accordance with the Governing Documents and Texas law.

# 6.2. Membership.

Every Owner is a Member of the Association; provided, there is only one membership per Lot. If a Lot is owned by more than one Person, such co-Owners shall share the privileges of membership, subject to reasonable Board regulation and the restrictions on voting set forth in Section 6.3(c) and in the By-Laws, and all such co-Owners shall be jointly and severally obligated to perform the responsibilities of Owners. The membership rights of an Owner which is not a natural person may be exercised by one of any officer, director, partner, or trustee, or by the individual designated from time to time by the Owner in writing provided to the Secretary of the Association.

# 6.3. Voting.

The Association shall have two classes of membership, Class "A" and Class "B."

- (a) Class "A". Class "A" Members shall be all Owners except the Class "B" Member, if any. Class "A" Members shall have one equal 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 (1) vote be east with respect to any such Lot.
- (h) Class "B". The sale Class "B" Member shall be Declarant. The Class "B" Member shall be entitled to ten (10) votes for each Lot which it owns. The Class "B" Member may appoint a majority of the members of the Board of Directors during the Class "B" Control Period. Additional rights of the Class "B" Member are specified in the relevant sections of the Governing Documents. The Class "B" Member, in its sole and absolute discretion, shall have the right to disapprove any action of the Board and/or committees as provided in the By-Laws.

The Class "B" membership shall terminate upon the expiration of the Class "B" Control Period. Upon termination of the Class "B" membership, Declarant shall be a Class "A" Member entitled to one Class "A" vote for each Lot, if any, which it owns.

- (c) Quorum. Notice and Voting Requirements. The quorum, notice and voting requirements of and pertaining to the Association are set forth within the Articles of Incorporation and Bylaws of the Association, as same may be amended from time to time.
- (d) Declarant Rights. Notwithstanding the aforementioned voting rights within the Association, and being consistent with Section 17.1 hereinafter, neither the Association nor the Members shall take any action or inaction with respect to any matter whatsoever, without the prior written consent and approval of Declarant, in the Declarant's sole and absolute discretion, until after the expiration of the Class "B" Control Period. Furthermore, Declarant shall have the right in its sole and absolute discretion to unilaterally take any action or inaction with respect to any matter whatsoever, without the prior consent of the Association or the Members, prior to the expiration of

the Class "B" Control Period.

# Article VII Association Powers and Responsibilities

# 7.1. Acceptance and Control of Association Property.

- (a) The Association, through action of its Board, may acquire, hold, and dispose of tangihle and intangihle personal property and real property, subject to the provisions of Sections 14.5 and 17.4.
- (b) Declarant and its designees may convey to the Association personal property and fee title, leasehold, easement estates, or other property interests in any real property, improved or unimproved, described in <a href="Exhibit">Exhibit "A"</a>. The Association shall accept and maintain such property at its expense for the benefit of its Members, subject to any restrictions set forth in the deed or other conveyance instrument. If needed by Declarant to make minor adjustments in property lines, then, upon written request from Declarant, the Association shall reconvey to Declarant for no monetary consideration only such unimproved portions of property as are necessary to correct such error or adjustment in property lines.
- (c) The Association shall be responsible for management, operation, and control of the Common Area, subject to any covenants and restrictions set forth in the conveyance instrument transferring such property to the Association. The Board may adopt reasonable rules regulating use of the Common Area as it deems appropriate.

# 7.2. Maintenance of Area of Common Responsibility.

The Association shall maintain, in accordance with the Community-Wide Standard, the Area of Commun Responsibility, which shall include, but need not be limited to:

- (a) all portions of and structures situated upon the Common Area;
- (b) landscaping within public rights-of-way within or abutting The Resort:
- (c) all ponds, streams, detention areas, wash areas, and/or wetlands located within The Resort which serve as part of the stormwater drainage system for The Resort, including improvements and equipment installed therein or used in connection therewith; provided, neither Declarant nor the Association shall have any liability for damage or injury caused by flooding or surface runoff resulting from rainfall or other natural occurrences; and
- (d) such portions of any additional property as may be dictated by this Declaration, any Supplemental Declaration, any covenant to share costs, or any contract or agreement for maintenance thereof entered into by the Association.

The Association shall have the right to enter upon, for the purpose of maintaining, and may maintain, other property which it does not own, including, without limitation, Lots and property dedicated to the public, if the Board determines that such maintenance is necessary or desirable to maintain Community-Wide Standard. In addition, the Association may enter into contractual agreements or covenants to share costs with other properties or facilities for maintaining and/or operating shared or mutually beneficial properties or facilities. The Association shall not be liable for any damage or injury occurring on, or arising out of the condition of, property which it does not own, except to the extent that it has been negligent in the performance of its maintenance responsibilities.

The Association shall maintain the facilities and equipment within the Area of Common

Responsibility in continuous operation, except for any periods necessary, as determined in the sole discretion of the Board, to perform required maintenance or repairs, unless Members representing 75% of the Class "A" votes in the Association and the Class "B" Member, if any, agree in writing to discontinue such operation. Except as provided above, the Area of Common Responsibility shall not be reduced by amendment of this Declaration or any other means except with the prior written approval of Declarant as long as Declarant owns any property for development or sale within The Reson.

The costs associated with maintenance, repair, and replacement of the Area of Common Responsibility shall be a Common Expense; provided, the Association may seek reimbursement from the owner(s) of, or other Persons responsible for, certain portions of the Area of Common Responsibility pursuant to this Declaration, a covenant to share costs, other Recorded covenants, or agreements with the owner(s) thereof.

### 7.3. Insurance.

- (a) Required Coverages. The Association, acting through its Board or its duly authorized agent, shall obtain and continue in effect, at a minimum, insurance coverage necessary to satisfy the requirements of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the U. S. Department of Veterans Affairs, and the U. S. Department of Housing and Urban Development, if applicable to The Resort. Accordingly, the Board shall obtain the following insurance, if reasonably available or, if not, the most nearly equivalent coverages as are reasonably available:
- (i) Blanket property insurance covering "risks of direct physical loss" on a "special form" basis (or comparable coverage by whatever name denominated) for all insurable improvements on the Common Area and within the Area of Common Responsibility to the extent that Association has assumed responsibility in the event of a casualty, regardless of ownership. If such coverage is not generally available at reasonable cost, then "broad form" coverage may be substituted. All property insurance policies obtained by the Association shall have policy limits sufficient to cover the full replacement cost of the insured improvements under current building ordinances and codes;
- (ii) Commercial general liability insurance on the Area of Common Responsibility, insuring the Association and its Members for damage or injury caused by the negligence of the Association or any of its Members, employees, agents, or contractors while acting on its behalf. If generally available at reasonable cost, such coverage (including primary and any umbrella coverage) shall have a limit of at least \$1,000,000.00 per occurrence with respect to hodily injury, personal injury, and property damage; provided, should additional coverage and higher limits be available at reasonable cost, in the judgment of a reasonably prudent person, the Association shall obtain such additional coverages or limits;
- (iii) Workers compensation insurance and employers liability insurance, if and to the extent required by law;
  - (iv) Directors and officers liability coverage;
- (v) Commercial crime insurance, Including fidelity insurance covering all Persons responsible for handling Association funds in an amount determined in the Board's best business judgment, but not less than an amount equal to one-quarter of the annual Base Assessments on all Lots plus reserves on hand. Fidelity insurance policies shall contain a waiver of all defenses based upon the exclusion of Persons serving without compensation; and

(vi) Such additional insurance as the Board, in its business judgment, determines advisable.

Premiums for all insurance on the Area of Common Responsibility shall be a Common Expense unless the Board reasonably determines that other treatment of the premiums is more appropriate.

(b) Policy Requirements. After termination of the Class "B" Control Period, the Association shall arrange for an annual review of the sufficiency of its insurance coverage by one or more qualified Persons, at least one of whom must be familiar with insurable replacement costs in the Tarrant County, Texas, area. All Association policies shall be written in the name of the Association and shall provide for a certificate of insurance to be furnished to the Association and, upon request, to each Member insured.

The policies may contain a reasonable deductible and the amount thoreof shall not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the requirements of Section 7.3(a). In the event of an insured loss, the deductible shall be treated as a Common Expense in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with the By-Laws, that the loss is the result of the negligence or willful misconduct of one or more Owners, their guests, invitees, or lessees, then the Board may assess the full amount of such deductible against such Owner(s) and their Lots as a Specific Assessment.

(c) Restoring Damaged Improvements. In the event of damage to or destruction of Common Area or other property which the Association is obligated to insure, the Board or its duly authorized agent shall file and adjust all insurance claims and obtain reliable and detailed estimates of the cost of repairing or restoring the property to substantially the condition in which it existed prior to the damage, allowing for changes or improvements necessitated by changes in applicable building codes.

Damaged improvements on the Common Area shall be repaired or reconstructed unless the Members representing at least 75% of the total Class "A" votes in the Association, and the Class "B" Member, if any, decide within 60 days after the loss not to repair or reconstruct. If either the insurance proceeds or estimates of the loss, or both, are not available to the Association within such 60-day period, then the period shall be extended until such funds or information are available. However, such extension shall not exceed 60 additional days. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to the Common Area shall be repaired or reconstructed.

If a decision is made not to restore the damaged improvements, and no alternative improvements are authorized, the affected property shall be cleared of all debria and ruins and thereafter shall be maintained by the Association in a neat and attractive, landscaped condition consistent with Community-Wide Standard.

Any insurance proceeds remaining after paying the costs of repair or reconstruction, or after such settlement as is necessary and appropriate, shall be retained by the Association for the benefit of its Members and placed in a capital improvements account.

If insurance proceeds are insufficient to cover the costs of repair or reconstruction, the Board may, without a vote of the Members, levy Special Assessments to cover the shortfall against those Owners responsible for the premiums for the applicable insurance coverage under Section 7.3(a).

# 7.4. Compliance and Enforcement.

Every Owner and occupant of a Lot shall comply with the Governing Documents. The Board may impose sanctions for violation of the Governing Documents after notice and a hearing in accordance with the By-Laws. Such sanctions may include, without limitation:

- (a) Imposing reasonable monetary fines which shall constitute a lien upon the violator's Lot. (In the event that any occupant, guest, or invitee of a Lot violates the Governing Documents and a fine is imposed, the fine shall first be assessed against the violator, but if the fine is not paid by the violator within the time period set by the Board, the Owner shall pay the fine upon notice from the Board);
  - (b) suspending an Owner's right to vote:
- (c) suspending any Person's right to use any recreational facilities within the Common Area; provided, however, nothing herein shall authorize the Board to limit ingress or egress to or from a Lot:
- (d) suspending any services provided by the Association to an Owner or the Owner's i.ot if the Owner is more than 30 days delinquent in paying any assessment or other charge owed to the Association;
- (e) exercising self-help or taking action to abate any violation of the Governing Documents in a non-emergency situation;
- (t) requiring an Owner, at the Owner's expense, to remove any structure or improvement on such Owner's Lot in violation of Article IV and to restore the Lot to its previous condition and, upon failure of the Owner to do so, the Board or its designee shall have the right to enter the property, remove the violation, and restore the property to substantially the same condition as previously existed, without such action being deemed a trespass;
- (g) without liability to any Person, prohibiting any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of Article IV and the Design Guidelines from continuing or performing any further activities in The Resort; and
- (h) levying Specific Assessments to cover costs incurred by the Association in bringing a Lot into compliance with the Ooverning Documents.

In addition, the Board may take the following enforcement procedures to ensure compliance with the Governing Documents without the necessity of compliance with the procedures set forth in the By-Laws:

- (aa) exercising self-help in any emergency situation (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations):
- (hh) hringing suit at law or in equity to enjoin any violation or to recover monetary damages, or both.

In addition to any other enforcement rights, if an Owner falls to perform properly such Owner's maintenance responsibility with respect to a Lot, the Association may Record a notice of violation and/or enter the Lot and perform such maintenance responsibilities and assess all costs incurred by the Association

ogainst the Lot and the Owner as a Specific Assessment. Except in an emergency situation, the Association shall provide the Owner reasonable notice and on appartunity to cure the problem prior to taking such enforcement action.

All remedies set forth in the Governing Documents shall be cumulative of any remedies available at law or in equity. If the Association prevails in any action to enforce the Governing Documents, it shall be entitled to recover all costs, including, without limitation, attorneys' fees and court costs reasonably incurred in such action.

The decision to pursue enforcement action in any particular case shall be left to the Board's discretion, except that the Board shall not be arbitrary or capricious in taking enforcement action. Without limiting the generality of the foregoing sentence, the Board may determine that, under the circumstances of a particular case, (i) the Association's position is not strong enough to justify taking any or further action; or that (ii) the covenant, restriction, or rule being enforced is, or is likely to be construed as, inconsistent with applicable law; (iii) although a technical violation may exist or may have occurred, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the Association's resources, or (iv) that it is not in the Association's best interests, based upon hardship, expense, or other reasonable criteria, to pursue enforcement action. Such a decision shall not be construed a waiver of the right of the Association to enforce such provision at a later time under other circumstances or preclude the Association from enforcing any other covenant, restriction or rule.

The Association, by contract or other agreement, may, but shall not be obligated to, enforce applicable city and county ordinances. Tarrant County or other local municipalities may enforce ordinances within The Resort for the benefit of the Association and its Members.

# 7.5. Implied Rights: Board Authority.

The Association may exercise any right or privilege expressly given to the Association by the Governing Documents, or reasonably implied from or reasonably necessary to effectuate any such right or privilege. Except as otherwise specifically provided in the Governing Documents, or by law, all rights and powers of the Association may be exercised by the Board without a vote of the membership.

The Board may institute, defend, settle, or intervene on behalf of the Association in, mediation, binding or non-binding arbitration, litigation, or administrative proceedings in matters pertaining to the Area of Common Responsibility, enforcement of the Governing Documents, or any other civil claim or action. However, the Governing Documents shall not be construed as creating any independent legal duty to institute litigation on behalf of or in the name of the Association or its Members.

# 7.6. Indemnification of Officers, Directors, and Others.

Subject to Texas law, the Association shall indemnify every officer, director, and committee member against all damages and expenses, including attorneys' fees, reasonably incurred in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding if approved by the Board at the time of such settlement) to which he or she may be a party by reason of being or having been an officer, director, or committee member.

Officers, directors, and committee members shall not be fiable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or had faith. The officers and directors shall have no personal liability with respect to any contract or other

commitment made or action taken in good faith on behalf of the Association. The Association shall indemnify and forever hold each such officer, director, and committee member harmless from any and all liability to others on account of any such contract, commitment, or action. This right to indemnification shall not be exclusive of any other rights to which any present or former officer, director, or committee member may be entitled. The Association shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

### 7.7. Security.

The Association may, but shall not be obligated to, maintain or support certain octivities at The Resort designed to enhance the security of The Resort. In ony event, neither the Association, Declarant, nor any Builder is an insurer or guorontor of security at The Resort, nor shall such parties be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken.

The Association, Declorant, and Builders make no representation or worronty that any systems or measures, including any mechanism or system for limiting access to The Resort, cannot be compromised or circumvented, or that any such systems or security measures undertaken will in any case prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands, and covenants to inform its tenants and all occupants of its Lot that the Association, its Board, and committee members, Declarant, and Builders are not insurers and that each Person within The Resort assumes oil risks of personal injury and loss or damage to property, including Lots and the contents of Lots, resulting from acts of third parties.

### 7.8. Provision of Services.

The Association may provide or provide for services and facilities for the Members and their Lots, and shall be authorized to enter into and terminate contracts or agreements with other entities, including Declarant, to provide such services and facilities. The Board may charge use and service fees for any such services and facilities provided at the option of an Owner, or may include the costs thereof in the Association's budget as a Common Expense and assess it as part of the Base Assessment. By way of example, such services and facilities might include landscape maintenance, management of the Golf Course, child care, pest control service, garbage collection, cable television service, security guard (but no earlier than the date on which at least 100 residences in The Reson are occupied by homeowners), caretaker, transportation, fire protection, utilities, and similar services and facilities. Nothing herein shall be construed as a representation by Declarant or the Association as to what, if any, services shall be provided. In addition, the Board shall be permitted to modify or cancel existing services provided, in its discretion, unless otherwise required by the Governing Documents. No Owner shall be exempt from the obligation to pay assessments for such services, if provided to all Owners as a Common Expense, based upon non-use or any other reason.

### 7.9. Use of Recreational Facilities,

Each Owner acknowledges that certain recreational facilities, including, but not timited to, a swimming pool and related amenities, playgrounds, fishing ponds, and various sports fields and courts, may be provided within the Common Area for the use and enjoyment of the Owners, their families, tenants, other

occupants of a Lot, and the guests of any such Persons. Each Owner hereby acknowledges that there are risks associated with the use of any such recreational facilities and that ALL USERS OF SUCH FACILITIES ARE SOLELY RESPONSIBLE FOR SUCH RISK. Each Owner, by accepting a deed to a Lot, acknowledges that he or she has not relied upon the representations of Declarant, any Builder, or the Association with respect to the safety of any recreational facilities or other Common Area provided within The Resort.

The Association may, but shall not be obligated to, contract with, employ, or otherwise provide, from time to time, a lifeguard or other monitoring personnel to be present at any recreational facility within The Resort. Each Owner acknowledges that the presence of such personnel shall not create a duty on the part of Declarant, any Builder, or the Association to provide for, insure, or guarantee the safety of any user of the facility. Each Owner acknowledges that the presence of such monitoring personnel shall not in any way after the risks assumed by each Owner, his or her family members, tenants, other occupants of Owner's Lot and guests of any such Persons, which risks shall continue to be assumed by the user of the recreational facility.

# 7.10. Limitation of Liability and Assumption of Risk and Indemnification.

Each Owner, by acceptance of a deed to a Lot, acknowledges that the use and enjoyment of any Common Area recreational facility, the lake, canal areas and all areas adjacent thereto, involves certain risks including, without limitation, risks of personal injury or damage to property and each Owner has evaluated these risks and factors in making his or her decision to purchase property within The Resort. Each Owner acknowledges, understands, and covenants to inform its tenants and all occupants of its Lot that the Association, its Board and committees, Declarant, and any Builder are not insurers of personal safety and that each Person using the Common Area assumes all risks of personal injury and loss or damage to property, resulting from the use and enjoyment of any recreational facility or other portion of the Common Area, the lake, canal areas and all areas adjacent thereto. Each Owner shall rely solely upon its own investigation and evaluation and agrees that neither the Association, the Board and any committees, any Builder, nor Declarant shall be liable to such Owner or any Person claiming any loss or damage, including, without limitation, indirect, special or consequential loss or damage arising from personal injury, death, destruction of property, trespass, loss of enjoyment, or any other wrong or entitlement to remedy based upon, due to, arising from, or otherwise relating to the existence of and/or the use of any recreational facility or other portions of the Common Area, the lake, canal areas and all areas adjacent thereto, including, without limitation, the supply of water to the Resort and residences located therein, the water level of the lake and/or any canal caused by abundant rainfell, lack of rainfall, drainage, or caused by any other reason, flooding, flowage easements lucluding those owned by the District, actions or inactions taken by the District, the view of the lake, canal and/or golf course, and/or any claim arising in whole or in part from the negligence of the Association, Declarant, or any Bullder. THE FOREGOING RELEASE IS INTENDED TO RELEASE THE SPECIFIED PARTIES FROM LIABILITY FOR THEIR OWN NEGLIGENCE.

Each Owner, by its purchase of a parcel of a Lot in The Resort, acknowledges the inherent dangers associated with living in proximity to a lake, canals or other waterway and hereby expressly assumes the risk of personal

injury, property flamage, or other loss caused by maintenance, operation, and general use of the lake, canals or other waterways, including, without limitation:

(a) noise from maintenance and recreational equipment; (b) any change in water levels (either higher or lower) which may occur from time to time; (c) noise caused by individuals using any such facilities; (d) view restrictions caused by maintenance and shrubbery, certain construction, and any other reason, and (e) reduction in privacy caused by traffic on or along the lake, canals or other waterways. Each such Owner agrees that neither Declarant; any successor Declarant; any Builder; the Association; any entity leasing, managing, or operating the marina at the lake, the rules, traffic and other restrictions pertaining to the lake and/or canals; any officer, director or partner of any of the foregoing, or any officer or director of any partner; or any organizer or sponsor of any special event (collectively, for purposes of this Section 7.10, the "Released Partles") shall be liable to any Owner claiming any loss, injury, or damage based upon, due to, arising from, directly or indirectly, or otherwise related to the proximity of such Owner's Lot to the lake, canals and/or other waterways, the management of any such areas, or the traffic along any portion of the lake, canals and/or other waterways, even if such loss, damage, or injury is caused in whole or in part by the negligence of any of the Released Partles. THE FOREGOING RELEASE IS INTENDED TO RELEASE THE RELEASED PARTIES FROM AND AGAINST THEIR OWN NEGLIGENCE.

Lakeshore living, the beauty of the lake and the recreational opportunities and lifestyle incidental with lakeshore living come with certain risks and factors which should be evaluated in making a decision to purchase property within or near such an area. Each Owner, by its purchase of a parcel or a Lot in The Resort: (1) acknowledges the Inherent dangers associated with living in proximity to a lake, canals or other waterways, (ii) acknowledges that changes in the weather including, abundant rainfall, tack of rainfall, storms, and other natural disasters can cause injuries, damages and losses to Owner and Owner's property, (iii) acknowledges and understands that the Tarrant County Water Control and Improvement District Number One (the "District") owns flowage easements over and across property along the shoreline of The Resort (the "flowage easements") to assist in accommodating flooding but which may or may not prevent flooding, (iv) acknowledges and expressly confirms that prior to purchasing any such parcel or Lot, such Owner was provided ample time in which to investigate and evaluate all matters pertaining to the property including, but not limited to, those all risks, danger and other matters pertaining to the lake, canals, flowage easements owned by the District, and other waterways in, or, about or otherwise associated with The Resort, (v) the risks of flooding and other damage which may occur for any reason whatsoever, and (vi) expressly assumes all risk of personal injury, death, property damage, or other losses in any manner relating to flooding, lack of constant water levels, the lake, canals, waterways, flowage easements, drainage, and water control within The Resort whether or not any such injuries, death or losses are a result of any action or inaction or negligence of any one or more of the Released Parties (as defined in the paragraph immediately preceding this paragraph). Each such Owner agrees that none of the Released Parties shall be liable to any Owner claiming any loss, injury, death, or damage based upon, due to, arising from, directly or indirectly, or otherwise related to the matters set forth herein even if such loss, damage, or injury is caused in whole or in part by the negligence of any of the Released Parties. THE FOREGOING RELEASE IS INTENDED TO RELEASE THE RELEASED PARTIES FROM AND AGAINST THEIR OWN NEGLIGENCE.

# 7.11. Adjacent Water and Sewer Treatment Plants.

Each Owner acknowledges that The Resont is or shall be located near or adjacent to a water and/or sewer treatment plant(s) and that the existence and operation of such water and/or sewer treatment plant(s) may have an impact upon The Resort. Each Owner, by its purchase of a Lot in The Resort, and each occupant of a Lot, hereby expressly assumes the risk of personal injury or property damage caused by the maintenance and operation of a water and/or sewer treatment plant. Further, each Owner agrees that neither Declarant, any Builder, nor the Association shall be liable to any Owner claiming any loss or damage based upon, due to, or arising from the presence and operation of a water and/or sewer treatment plant within, adjacent to, or near The Resort.

# Article VIII Association Finances.

# 8.1. Budgeting and Allocating Common Expenses.

At least 60 days before the beginning of each fiscal year, the Board shall prepare a budget of the estimated Common Expenses for the coming year, including any contributions to be made to a reserve fund pursuant to Section 8.2. The budget shall reflect the sources and estimated amounts of funds to cover such expenses, which may include any surplus to be applied from prior years, any income expected from sources other than assessments levied against the Lots, and the amount to be generated through the levy of Base Assessments and Special Assessments against the Lots, as authorized in Section 8.3.

The Association is hereby authorized to levy Base Assessments equally against all Lots subject to assessment under Section 8.5 to fund the Common Expenses. In determining the Base Assessment rate per Lot, the Board may consider any assessment income expected to be generated from any additional Lots reasonably anticipated to become subject to assessment during the fiscal year.

Notwithstanding the above, Declarant shall pay the "hudget deficit" in accordance with Section 8.6(b) hereof, and all Owners other than Declarant, or affiliates of Declarant, shall pay an initial annual Base Assessment in the amount of \$1,200.00 for each Lot owned. As additional amenities are introduced to The Resort or as expenses increase, Declarant may increase the Annual Base Assessment accordingly, as Declarant deems fit and proper, however, Declarant shall not be permitted to recover any amounts paid by Declarant to cover the "budget deficit." The Base Assessment outlined in this paragraph shall be adjusted according to the number of months remaining in the fiscal year at the time a Lot is transferred to an Owner other than Declarant, or an affiliate of Declarant.

Declarant may, but shall not be obligated to, reduce the Base Assessment for any fiscal year by payment of a subsidy (in addition to any amounts paid by Declarant under Section 8.6(b)). Any such subsidy shall be disclosed as a line item in the income portion of the budget.

The Board shall send a copy of the final budget, together with notice of the amount of the Base Assessment to be levied pursuant to such budget, to each Owner at least 30 days prior to the effective date of such budget. If the Base Assessment does not increase the previous year's Base Assessment by greater than 10%, the budget shall automatically become effective unless disapproved at a meeting by Members representing at least 75% of the total Class "A" votes in the Association and by the Class "B" Member, if such exists. There shall be no obligation to call a meeting for such purpose except on petition of the Members as provided for special meetings in the By-Laws, which petition must be presented to the Board within ten days after delivery of the

hudget and notice of any assessment.

If the proposed budget reflects an increase in the level of the Base Assessment from the previous year in excess of 10%, the budget must be approved at a meeting by Members representing at least 67% of the total Class "A" votes in the Association. If a quorum is not attained at such meeting duly called, the proposed budget shall be deemed approved.

If any proposed budget is disapproved or the Board fails for any reason to determine the budget for any year, then the budget most recently in effect shall continue in effect until a new hudget is determined.

The Board may revise the hudget and adjust the Base Assessment from time to time during the year, subject to the notice requirements and the right of the Members to disapprove the revised hudget as set forth above.

# 8.2. Budgeling for Reserves.

The Board shall prepare and review at least annually reserve budgets for the Area of Common Responsibility. The budgets shall take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board may include in the Common Expense budget adopted pursuant to Section 8.1, as it deems appropriate in the exercise of its business judgment, a capital contribution to fund reserves in amounts sufficient to meet projected needs with respect both to amount and timing by annual contributions over the budget period.

# 8.3. Special Assessments.

In addition to other authorized assessments, the Association may levy Special Assessments to cover unbudgeted expenses or expenses in excess of the amount budgeted. Any such Special Assessment may be levied against the entire membership, if such Special Assessment is for Common Expenses. Except as otherwise specifically provided in this Declaration, any Special Assessment shall require the affirmative vote or written consent of Members (if a Common Expense) representing more than 67% of the total votes allocated to Lots which will be subject to such Special Assessment, and the affirmative vote or written consent of the Class "B" Member, if such exists. Special Assessments shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved.

# 8.4. Specific Assessments.

The Association shall have the power to levy Specific Assessments against a particular Lot us follows:

- (a) to cover the costs, including overhead and administrative costs, of providing services to a Lot upon request of an Owner pursuant to any menu of special services which may be offered by the Association (which might include the Items identified in Section 7.8). Specific Assessments for special services may be levied in advance of the provision of the requested service; and
- (b) to cover costs incurred in bringing a Lot into compliance with the Governing Documents, or costs incurred as a consequence of the conduct (or the failure to act) of the Owner or occupant of a Lot, their agents, contractors, employees, licensees, invitees, or guests; provided, the Board shall give the Lot Owner prior written notice and an opportunity for a hearing, in

accordance with the By-Laws, before levying any Specific Assessment under this subsection (b).

# 8.5. Authority To Assess Owners: Time of Payment.

The Association is hereby authorized to levy assessments as provided for in this Article and elsewhere in the Governing Documents. The obligation to pay assessments shall commence for each Lot on the date the first Lot is sold by Declarant to an Owner; provided, if any Recorded Supplemental Declaration specifies a different date for the commencement of assessments against a portion of The Resort, such date shall control the issue with respect to the property covered by such Recorded Supplemental Declaration. The first annual Base Assessment levied on each Lot shall be adjusted according to the number of months remaining in the fiscal year at the time assessments commence on the Lot.

Assessments shall be paid in such manner and on such dates as the Board may establish. The Board may require advance payment of assessments at the closing of the transfer of title to a Lot and impose special requirements for Owners with a history of delinquent payment. If the Board so elects, assessments may be paid in two or more installments. Unless the Board otherwise provides, the Base Assessment shall be due and payable quarterly in advance commencing on the first day of the fiscal year and continuing quarterly thereafter. If any Owner is delinquent in paying any assessments or other charges levied on his Lot, the Board may require the outstanding balance on all assessments to be paid in full immediately.

# 8.6. Obligation for Assessments.

(a) Personal Obligation. Each Owner, by accepting a deed or entering into a Recorded contract of sale for any portion of The Resort, is deemed to covenant and agree to pay all assessments authorized in the Governing Documents. All assessments, together with interest (computed from its due date at a rate of 12% per annum or such higher rate as the Board may establish, subject to the limitations of Texas law), late charges as determined by Board resolution, costs, and reasonable attorneys' fees, shall be the personal obligation of each Owner and a lien upon each Lot until paid in full. Except as provided in Section 8.7, upon a transfer of title to a Lot, the grantee shall be jointly and severally liable for any assessments and other charges due at the time of conveyance.

Failure of the Board to fix assessment amounts or rates or to deliver or mail each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay Base Assessments on the same basis as during the last period for which an assessment was made, if any, until a new assessment is levied, at which time the Association may retroactively assess any shortfalls in collections.

No Owner may exempt himself from liability for assessments by non-use of Common Area, abandonment of a Lot, or any other means. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessments or set-off shall be claimed or allowed for any alleged failure of the Association to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action it takes.

Upon written request, the Board shall furnish to any Owner liable for any type of assessment, or a Mortgagee or other Person designated by the Owner, a certificate in writing signed by an officer of the Association, or a designated agent of the Board, setting forth whether assessments have been paid and any delinquent amounts. Such certificate shall be conclusive evidence of assessment payments or amounts delinquent as of the date of the certificate. The Board

may require advance payment of a processing fee for the issuance of such certificate.

(b) <u>Declarant's Obligation To Fund Budget Deficits</u>. During the period of Class "B" membership (and, in any event, for no less than four years from the Recording of this Declaration), Declarant shall be obligated to pay the difference between the amount of assessments levied on all Lots subject to assessment and the amount of actual expenditures by the Association during the fiscal year (the "budget deficit").

After such time, Declarant may annually elect either to pay assessments on each of its unsold Lots in the same manner as any other Owner or to pay the budget deficit. If Declarant elects to pay assessment on each Lot and, after such payment, a shortage exists, Declarant may, but shall not be obligated to, pay such shortage. Unless Declarant otherwise notifies the Board within 60 days before the beginning of each fiscal year, Declarant shall be deemed to have elected to continue paying on the same basis as during the immediately preceding year.

The Association shall have a lien against all Lots owned by Declarant to secure Declarant's obligations under this Section, which lien shall have the same attributes and shall be enforceable in the same manner as the Association's Hen against each Lot under Section 8.7. Declarant's obligations become may be satisfied in the form of each or by "in kind" contributions of services or materials, or by a combination of these. After termination of the Class "B" membership, Declarant shall pay assessments on its unsold Lots in the same manner as any other Owner.

### 8.7. Lien for Assessments.

The Association shall have a lien against each Lot to secure payment of delinquent assessments, as well as interest, late charges (subject to the limitations of Texas law), and costs of collection (including attorneys fees). Such lien shall be superior to all other liens, except (a) the liens of all taxes, bonds, assessments, and other levies which by law would be superior, and (b) the lien or charge of any first Mortgage of record (meaning any Recorded Mortgage with first priority over other Mortgages) made in good faith and for value. Such lien, when delinquent, may be enforced by suit, judgment, and foreclosure in the same manner as mortgages are foreclosed under Texas law.

Although no further action is required to crente or perfect the lien, the Association may, as further evidence and notice of the lien, execute and Record a document setting forth as to any Lot, the amount of the delinquent sums due the Association at the time such document is executed and the fact that a lien exists to secure the repayment thereof. However, the follure of the Association to execute and Record any such document shall not, to any extent, affect the validity, enforceability, perfection, or priority of the lien. The lien may be foreclosed through judicial or, to the extent allowed by law, nonjudicial foreclosure proceedings in accordance with Tex. Prop. Code Ann. Section 51.002 (Vernon 1984), as it may be amended, in like manner of any deed of trust on real property. Each Owner hereby grants to the Association, whether or not it is so expressed in the deed or other instrument conveying such Lot to the Owner, a power of sale to be exercised in accordance with Tex. Prop. Code Ann. Section 51.002 (Vernon 1984), as it may be amended.

The Association may bid for the Lot at the foreclosure sale and acquire, hold, lease, mortgage, and convey the Lot. While a Lot is owned by the Association following foreclosure:
(a) no right to vote shall be exercised on its behalf; (b) no assessment shall be levied on it; and (c) each other Lot shall be charged, in addition to its usual assessment, its pro rata share of the

assessment that would have been charged such Lot had it not been acquired by the Association. The Association may sue for unpaid assessments and other charges authorized hereunder without foreclosing or waiving the lien securing the same.

The sale or transfer of any Lot shall not affect the assessment lien or relieve such Lot from the lien for any subsequent assessments. However, the sale or transfer of any Lot pursuant to foreclosure of the first Mortgage shall extinguish the lien as to any installments of such assessments due prior to the Mortgagee's foreclosure. The subsequent Owner to the foreclosed Lot shall not be personally liable for assessments on such Lot due prior to such acquisition of title. Such unpaid assessments shall be deemed to be Common Expenses collectible from Owners of all Lots subject to assessment under Section 8.5, including such acquirer, its successors and assigns.

# 8.8. Exempt Property.

The following property shall be exempt from payment of Base Assessments and Special Assessments:

- (a) All Common Area and such portions of the property owned by Declarant as are included in the Area of Common Responsibility;
- (b) Any property dedicated to and accepted by any govornmental authority or public
  - (c) Property which is not subject to this Declaration.

In addition, Declarant and/or the Association shall have the right, but not the obligation, to grant exemptions to certain Persons qualifying for tax exempt status under Section 501(c) of the Internal Revenue Code so long as such Persons own property subject to this Declaration for purposes listed in Section 501(c).

# 8.9. Capitalization of Association.

Upon acquisition of record title to a Lot by the first Owner thereof other than Declarant or a Builder, a contribution shall be made by or on behalf of the purchaser to the working capital of the Association in an amount equal to one-sixth of the annual Base Assessment per Lot for that year. This amount shall be in addition to, not in lieu of, the annual Base Assessment and shall not be considered an advance payment of such assessment. This amount shall be deposited into the purchase and sales escrow and disbursed therefrom to the Association for use in covering operating expenses and other expenses incurred by the Association pursuant to this Declaration and the By-Laws.

# PART FOUR: COMMUNITY DEVELOPMENT

The Declaration reserves various rights to Declarant in order to facilitate the smooth and orderly development of The Resort and to accommodate changes in the Master Plan which inevitably occur as The Resort grows and matures.

# Article IX Expansion of The Resort

# 9.1. Expansion by Declarant.

Declarant may from time to time, include additional real property to this Declaration by Recording a Supplemental Declaration describing the additional property ta be included. A Supplemental Declaration Recorded pursuant to this Section shall not require the emisent of any

Person except the owner of such supplemented property, if other than Declarant.

Declarant's right to expand The Resort pursuant to this Section shall expire 30 years after the Recording of this Declaration. Until then, Declarant may transfer or assign this right to annex property to any Person who is the developer of at least a portion of the real property described in Exhibit "A". Declarant shall memorialize such transfer in a Recorded instrument.

Nothing in this Declaration shall be construed to require Declarant or any successor to subject additional property to this Declaration.

### 9.2. Expansion by the Association.

The Association may subject additional property to the provisions of this Declaration by Recording a Supplemental Declaration describing the additional property. Any such Supplemental Declaration shall require the affirmative vote of Members representing more than 67% of the Class "A" votes of the Association represented at a meeting duly called for such purpose and the consent of the owner of the property. In addition, so long as Declarant owns property for development or sale within The Resort, the consent of Declarant shall be necessary. The Supplemental Declaration shall be signed by the President and Secretary of the Association, by the owner of the property, and by Declarant, if Declarant's consent is necessary.

### 9.3. Additional Covenants and Easements.

Declarant may subject any portion of The Resort to additional coveoants and easements, including covenants obligating the Association to maintain and insure such property and authorizing the Association to recover its costs through Assessments. Such additional covenants and easements may be set forth either in a Supplemental Declaration subjecting such property to this Declaration or in a separate Supplemental Declaration referencing property previously subjected to this Declaration. Any such Supplemental Declaration may supplement, create exceptions to, or otherwise modify the terms of this Declaration as it applies to the subject property in order to reflect the different character and intended use of such property.

# 9.4. Effect of Recording Supplemental Declaration.

A Supplemental Declaration shall be effective upon Recording unless otherwise specified in such Supplemental Declaration. On the effective date of the Supplemental Declaration, any additional property subjected to this Declaration shall be assigned voting rights in the Association and assessment liability in accordance with the provisions of this Declaration.

# Article X Additional Rights Reserved to Declarant.

### 10.1. Withdrawal of Property.

Declarant reserves the right, in its sole and absolute discretion, to amend this Declaration, so long as it owns any property for development or sale within The Resort, for the purpose of removing from the coverage of this Declaration any portion of The Resort which has not yet been improved with structures.

### 10.2. Marketing and Sales Activities.

Declarant and each Builder (for as long as it owns a Lot for development and sale), may construct and maintain upon Lots they own, such facilities and activities as reasonably may be required, convenient, or incidental to the construction or sale of Lots, including, but not limited to.

business offices, signs, model Lots, and sales offices. Signs and other improvements constructed in connection with such use may be subject to approval under Article IV. Declarant and such Builders shall have easements for access to and use of such facilities at no charge, the Declarant may, in its sole discretion, at any time during the Class "B" Control Period organize, permit and/or use any or all of the Common Areas and/or facilities making up any part of the amenities for marketing and sales promotions relating to the sales of Lots and/or residences within The Resort.

# 10.3. Right To Develop.

Declarant and its employees, agents, and designees shall have a right of access and use and an easement over and upon all of the Common Area for the purpose of making, constructing, and installing such improvements to the Common Area as it deems appropriate in its sole discretion and for developing The Resort in accordance with the Master Plan.

Every Person that acquires any interest in The Resort acknowledges that The Resort is a master planned community, the development of which is likely to extend over many years, and agrees not to protest, challenge, or otherwise object to (a) changes in uses or density of property, or (b) changes in the Master Plan.

### 10.4. Right to Approve Additional Covenants.

No Person shall Record any declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument affecting any portion of The Rosort without Declarant's review and written consent. Any document Recorded in violation of this Section 10.4 shall be void and of no force and effect unless subsequently approved by written consent signed and Recorded by Declarant.

# 10.5. Right To Transfer or Assign Declarant Rights.

Any or all of the special rights and obligations of Declarant set forth in this Declaration or the By-Laws may be transferred in whole or in part to other Persons; provided, the transfer shall not reduce an obligation nor enlarge a right beyond that which Declarant has under this Declaration or the By-Laws. No such transfer or assignment shall be effective unless it is in a written instrument signed and Recorded by Declarant. The foregoing sentence shall not preclude Declarant from permitting other Persons to exercise, on a one time or limited basis, any right reserved to Declarant in this Declaration where Declarant does not intend to transfer such right in its entirety, and in such case it shall not be necessary in Record any written assignment unless necessary to evidence Declarant's consent to such exercise.

### 10.6. Exclusive Rights To Use Name of Development.

No Owner shall use the name "The Resort" or "The Resort at Eagle Mountain Lake" in any printed or promotional material relating to a real estate development within the Metropolitan Dallas/Fort Worth area without Declarant's prior written consent. However, Owners may use the name "The Resort" or "The Resort at Eagle Mountain Lake" in printed or promotional matter where such term is used solely to specify that particular property is located at The Resort at Eagle Mountain Lake and the Association shall be entitled to use the words "The Resort" or "The Resort at Eagle Mountain Lake" in its name.

# 10.7. Easement to Inspect and Right to Correct.

Declarant reserves for itself, Builders, and others it may designate, the right to inspect, monitor, test, redesign, and correct any structure, improvement, or condition which may exist on

any portion of the property within The Resort, including Lots, and a perpetual nonexclusive easement of access throughout The Resort to the extent reasonably necessary to exercise such right. Except in an emergency, entry onto a Lot shall be only after reasonable notice to the Owner and no entry into a dwelling shall be permitted without the consent of the Owner. The Person exercising this easement shall promptly repair, at such Person's own expense, any damage resulting from such exercise.

# 10.8. Termination of Rights.

The rights contained in this Article shall not terminate until the earlier of (a) 40 years from the date this Declaration is Recorded, or (b) Recording by Declarant of a written statement that all sales activity has ceased.

# PART FIVE: PROPERTY RIGHTS WITHIN THE COMMUNITY

The nature of living in a planned community, with its wide array of properties and development types and ongoing development activity, requires the creation of special property rights and provisions to address the needs and responsibilities of the Owners, Declarant, the Association, and others in or adjacent to the community.

# Article XI Easements.

# 11.1. Easements in Common Area.

Declarant grants to each Owner a nonexclusive right and easement of use, access, and enjoyment in and to the Common Area, subject to:

- (a) The Governing Documents and any other applicable covenants;
- (b) Any restrictions or limitations contained in any deed conveying such property to the Association;
  - (c) The Bnard's right tu:
- (i) adopt rules regulating the use and enjoyment of the Common Area, including rules limiting the number of guests who may use the Common Area;
- (ii) suspend the right of an Owner to use recreational facilities within the Common Area (a) for any period during which any charge against such Owner's Lot remains delinquent, and (b) for a period not to exceed 30 days for a single violation or for a longer period in the case of any continuing violation, of the Governing Documents after notice and a hearing pursuant to the By-Laws;
- (iii) dedicate or transfer all or any part of the Common Area, subject to such approval requirements as may be set furth in this Declaration:
- (iv) imposo reasonable memborship requirements and charge reasonable admission or other use fees for the use of any recreational facility situated upon the Common Area:
- (v) permit use of any recreational facilities situated on the Common Area by Persons other than Owners, their families, lessees, and guests upon payment of use fees established by the Board; and

(vi) mortgage, piedge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred.

Any Owner may extend the rights of use and enjoyment hereunder to the members of such Owner's family, lessees, and social invitees, as applicable, subject to reasonable regulation by the Board. An Owner who leases a Lot shall be deemed to have assigned all such rights to the lessee of such Lot for the period of the lease.

Declarant, so long as Declarant owns any property for development or sale within The Resort, and the Association shall have the right to grant easements in and to the Common Area to any service provider or third-party contractor as may be necessary, in the sole discretion of Declarant or the Association, in connection with such service provider's or contractor's provision of services to The Resort. Any such easements shall be subject to an easement of access for Owners, and any other limitations or restrictions placed upon the easement by the grantor. The grantor of such easements, either Declarant or the Association, shall have the right to require specifically that the benefited party, after exercising the easement, take restorative or ameliorative action with respect to the burdened property.

# 11.2. Easements of Encroachment.

Declarant grants reciprocal appurtenant easements of encroachment, and for maintenance and use of any permitted encroachment, between each Lot and any adjacent Common Area and between adjacent Lots due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon (in accordance with the terms of these restrictions) to a distance of not more than three feet, as measured from any point on the common boundary along a line perpendicular to such boundary. However, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of, or with the knowledge and consent of, the Person claiming the benefit of such easement.

# 11.3. Ensements for Utilities, Etc.

- (a) Installation and Maintenance. Declarant reserves for itself, so long as Declarant owns any property described in Exhibit "A" of this Declaration, and grants to the Association and all utility providers, perpetual non-exclusive easements throughout The Resort (but not through a structure) to the extent reasonably necessary for the purpose of:
- (i) installing utilities and infrastructure to serve The Resort, cable and other systems for sending and receiving data and/or other electronic signals, security and similar systems, walkways, pathways and trails, drainage systems, street lights and signage on property which Declarant owns or within public rights-of-way or easements reserved for such purpose on Recorded plats;
- (ii) Inspecting, maintaining, repairing and replacing the utilities, infrastructure and other improvements described in Section 11.3(a)(i); and
  - (III) access to read utility meters.
- (b) Specific Easements. Declarant also reserves for itself the non-exclusive right and power to grant and Record such specific easements as may be necessary, in the sole discretion of Declarant, in connection with the orderly development of The Resort. The Owner of any property to be burdened by any easement granted pursuant to this subsection (b), if other than Declarant or the Association, shall be given written notice and the opportunity to disapprove in advance of the grant.

(c) Minimum Interference. All work associated with the exercise of the easements described in subsections (a) and (b) of this Section shall be performed in such a manner as to minimize interference with the use and enjoyment of the property burdened by the easement. Upon completion of the work, the Person exercising the easement shall restore the property, to the extent reasonably possible, to its condition prior to the commencement of the work. The exercise of these easements shall not extend to permitting entry into the structures on any Lot, nor shall it unreasonably interfere with the use of any Lot and, except in an emergency, entry onto any Lot shall be made only after reasonable notice to the Owner or occupant.

### 11.4. Easements To Serve Additional Property.

Declarant hereby reserves for itself and its duly authorized agents, successors, and assigns an easement over the Common Area for the purposes of enjoyment, use, access, and development of the property within and immediately adjacent to The Resort, whether or not such property is made subject to this Declaration. This easement includes, but is not limited to, a right of ingress and egress over the Common Area for construction of roads and for connecting and installing utilities on such propenty.

### 11.5. Easements for Maintenance, Emergency, and Enforcement.

Declarant grants to the Association easements over The Resort as necessary to enable the Association to fulfill its maintenance responsibilities under Section 7.2. The Association shall also have the right, but not the obligation, to enter upon any Lot for emergency, security, and safety reasons, to perform maintenance and to inspect for the purpose of ensuring compliance with and enforce the Governing Documents; provided, however, except to avoid imminent threat of personal injury or property damage, entry into any portion of any property not generally open to the public shall only be authorized during reasonable hours and after receipt of the consent of the Owner or occupant, which consent shall not unreasonably be withheld. The easement granted hereunder shall not create an obligation or duty on the part of Declarant or the Association to provide for safety or security within The Resort.

### 11.6. Pasements for Lake or Detention Pond Maintenance.

Declarant reserves for itself, the Associotion, and their successors, assigns, and designces, the nonexclusive right and casement, but not the obligation, to enter upon any lake or detention pond located within the Area of Common Responsibility, and an easement permitting reasonable access to the same, to (a) install, operate, maintain, and replace pumps to supply irrigation water to the Area of Common Responsibility; (b) construct, maintain, and repair structures and equipment used for retaining water; and (c) maintain such areas in a manner consistent with the Community-Wide Standard.

Declarant reserves for liself, the Association, and their successers, assigns, and designees, a perpetual, nonexclusive right and easement of access and encroachment over the Common Area in order to (a) alter in any manner and generally maintain any body of water within the Area of Common Responsibility; and (b) maintain and landscape the slopes and banks pertaining to such areas. All Persons shall use reasonable care in the exercise of these easements and, other such exercise, shall restore the property to its prior condition, to the extent practicable and reasonable. Nothing herein shall be construed to make Declarant, the Association, or any other Person liable for damage or injury resulting from flooding or surface runoff due to rainfoll or other natural occurrences.

Any lakes or wetlands within The Resort are designed as water management areas and are not designed as aesthetic factures. Due to fluctuations in water

clevations within the immediate areo, the water level of lokes, creeks, ond streoms will rise and fall. Declaront has no control over such elavations. Therefore, each Owner releases Decloront and the local city and municipality, and their affiliates, successors and assigns from and against any and all losses, claims, demands, damages, costs, and expenses of whatever nature or kind, including attorneys' fees and costs and appellate fees and costs, related to or arising out of the water elevations, including the absence of any water in the lakes, creeks, or streams. Neither the Association nor any Owner shall alter, modify, expand, or fill any lakes or wetlands located on or in the vicinity of The Resort, without the prior written approval of Declarant, so long as Declarant owns any property described in Exhibit "A" for development as part of The Resort, and such local, state, and federal authorities as may hove relevant jurisdiction over such matters.

# 11.7. Easements for Drainage Areas.

This Declaration hereby creates in favor of Declarant, so long as Declarant owns any property for development or sale within The Resort, and their successors, assigns, and designees, the nonexclusive right and easement to enter upon drainage ways, drainage culverts, natural drainage areas, washes and wash areas, other areas within the Common Area used to drain surface runoff and flood waters, and any improvements and equipment installed or used in connection therewith to install, maintain, repair, and replace such areas and property. Except to avoid imminent threat of personal injury or property damage, entry onto any portion of any property not generally open to the public shall only be authorized during reasonable hours and after receipt of the Owner's or occupant's consent, which consent shall not unreasonably be withheld.

# PART SIX: RELATIONSHIPS WITHIN AND OUTSIDE THE COMMUNITY

The growth and success of The Resort as a community in which people enjoy living, working, and playing requires good faith efforts to resolve disputes amicably, attention to ond understanding of relationships within the community and with its neighbors, and protection of the rights of others who have an interest in the community.

# Article XII Dispute Resolution and Limitation on Litigation.

- 12.1. Agreement to Encourage Resolution of Disputes Without Litigation.
- (a) Declarant, the Association and its officers, directors, and committee members, Owners, and any Person not otherwise subject to this Declaration who agrees to submit to this Article (collectively, "Bound Parties"), agree to encourage the amicable resolution of disputes involving The Resort without the emotional and financial costs of litigation. Accordingly, each Bound Party agrees not to file suit in any court with respect to a Claim described in subsection (b), unless and until it has first submitted such Claim to the alternative dispute resolution procedures set forth in this Anicle XII in a good faith effort to resolve such Claim.
- (h) As used in this Article, the term "Claim" shall refer to any claim, grievance or dispute arising out of or relating to
  - (i) the Interpretation, application, or enforcement of the Governing Documents:
- (ii) the rights, obligations, and dotics of any Bound Party under the Governing Documents; or
  - (iii) the design or construction of improvements within The Resort;

- (c) The following shall not be considered "Claims" unless all parties to the matter otherwise agree to submit the matter to the procedures set forth in Article XII:
- (i) any suit hy the Association to collect Assessments or other amounts due from any Owner,
- (ii) any suit by the Association to obtain equitable relief (e.g., temporary restraining order, injunction, or specific performance) and such ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Association's ability to enforce the provisions of Part Two of this Declaration (relating to creation and maintenance of community standards);
- (iii) any suit hetween Owners, which does not include Declarant or the Association as a party, if such suit asserts a Claim which would constitute a cause of action independent of the Governing Documents;
  - (iv) any suit in which any indispensable party is not a Bound Party:
- (v) any suit as to which any applicable statute of limitations would expire within 180 days of giving the Notice required by Section 12.2(a), unless the party or parties against whom the Claim is made agree to toll the statute of limitations as to such Claim for such period as may reasonably be necessary to comply with this Article; and
- (vi) any suit hy an Owner to challenge the legitimacy or enforceability of, hut not the application of, standards or rules pursuant to the provisions of Article III or Article IV

### 12.2. Dispute Resolution Procedures.

- (a) Notice. The Bound Party asserting a Claim ("Claimant") against another Bound Party ("Respondent") shall give written notice to each Respondent and to the Board stating plainly and concisely:
- (i) the nature of the Claim, including the Persons involved and the Respondent's role in the Claim;
- Claim acises); (ii) the legal hasis of the Claim (i.e., the specific authority out of which the
  - (iii) the Claimant's proposed resolution or remedy; and
- (iv) the Claimant's desire to meet with the Respondent in discuss in good faith ways to resolve the Claim.
- (b) <u>Negotiation</u>. The Claimant and Respondent shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. If requested in writing, accompanied by a copy of the Notice, the Board may appoint a representative to assist the parties in negotiating a resolution of the Claim.
- (c) Mediation. If the parties have nut resolved the Claim through negotiation within 30 days of the date of the notice described in Section 12.2(a) (or within such other period as the parties may agree upon), the Claimant shall have 30 additional days to submit the Claim to mediation with an entity designated by the Association (if the Association is not a party to the

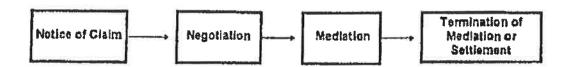
Claim) or the an independent agency providing dispute resolution services in the Dallas/Fort Worth, Texas area.

If the Claimant does not submit the Claim to mediation within such time, or does not appear for the mediation when scheduled, the Claimant shall be deemed to have waived the Claim, and the Respondent shall be relieved of any and all liability to the Claimant (but not third parties) nn account of such Claim.

If the Parties do not settle the Claim within 30 days after submission of the matter to mediation, or within such time as determined reasonable by the mediator, the mediator shall issue a notice of termination of the mediation proceedings indicating that the parties are at an impasse and the date that mediation was terminated. The Claimant shall thereafter be entitled to file suit or to initiate administrative proceedings on the Claim, as appropriate.

Each Party shall bear its own costs of the mediation, including attorneys fees, and each Party shall share equally all fees charged by the mediator.

### **Alternative Dispute Resolution Process**



(d) Settlement. Any settlement of the Claim through negotiation or mediation shall be documented in writing and signed by the parties. If any party thereafter fails to abide by the terms of such agreement, then any other party may file suit or initiate administrative proceedings to enforce such agreement without the need to again comply with the procedures set forth in this Section. In such event, the party taking action to enforce the agreement or award shall, upon prevailing, be entitled to recover from the non-complying party (or if more than one non-complying party, from all such parties in equal proportions) all costs incurred in enforcing such agreement or award, including, without limitation, attorneys' fees and court costs.

### 12.3. Initiation of Litigation.

In addition to compliance with the foregoing alternative dispute resolution procedures, if applicable, the Association shall not initiate any judicial or administrative proceeding unless first approved by a vote of Members entitled to cast 75% of the total Class "A" votes in the Association, except that no such approval shall be required for actions or proceedings:

- (a) initiated during the Class "B" Control Period;
- (b) initiated to enforce the provisions of this Declaration, including collection of assessments and foreclosure of liens;
  - (c) initiated to challenge ad valorem taxation or condemnation proceedings;
- (d) initiated against any contractor, vendor, or supplier of goods or services arising out of a contract for services or supplies; or

(e) to defend claims filed against the Association or to assert counterclaims in proceedings instituted against it.

Prior to the Association or any Member commencing any judicial or administrative proceeding to which Declarant is a party and which arises out of an alleged defect within The Resort or any improvement constructed upon any property within The Resort, Declarant shall have the right to be heard by the Members, or the particular Member, and to access, inspect, correct the condition of, or redesign any portion of The Resort, including any improvement as to which a defect is alleged. In addition, the Association or the Member shall notify the Builder who constructed the subject improvement prior to retaining any other expert as an expert witness or for other litigation purposes.

This Section shall not be amended unless such amendment is approved by the same percentage of votes necessary to institute proceedings.

# Article XIII Golf Course

# 13.1. General.

The Association, owner, lessee, manager, or operators of the Golf Course shall have the right, from time to time in their sole and absolute discretion and without notice, to amend or waive the terms and conditions of use of the Golf Course, including, without limitation, establishment and modification of use fees, eligibility for and duration of use rights, categories of use and extent of use privileges, and number of users, and shall also have the right to reserve use rights and to terminate use rights altogether, subject to the terms of any written agreements with their respective members.

Notwithstanding the above, the Golf Course initially shall be operated as a private course for the use and enjoyment of the Owners and their families, lessees and guests. The operation of the Golf Course as a private course may not be changed without the consent of the Declarant. Consent of the Association, any Member, or any Owner shall not be required to effectuate any change in ownership or operation of the Golf Course, for or without consideration and subject to or free of any mortgage, covenant, lien, or other encumbrance.

# 13.2. View Impairment.

Neither Declarant, nor the Association, guarantees or represents that any view over and across the Golf Course from Lots adjacent to the Golf Course will be preserved without impairment. The Association, or the lessee, manager, or operator of the Golf Course shall have no obligation to prune or thin trees or other landscaping, and shall have the right, in its sole and absolute discretion, to add trees and other landscaping to the Golf Course from time to time. In addition, the Association, or the lessee, manager, or operator of the Golf Course may, in its sole and absolute discretion, change the location, configuration, size and elevation of the trees, bunkers, fairways, and greens from time to time. Any such additions or changes may diminish or obstruct any view from the Lots and any express or implied easements for view purposes or for the passage of light and air are hereby expressly disclaimed.

# 13.3. Rights of Access and Parking.

There is hereby established for the benefit of the Golf Cnurse, its guests, invitees, employees, agents, contractors, and designees, a right and nonexclusive easement of access and use over all roadways located within The Resort reasonably necessary to travel between the

entrance to The Resort and the Golf Course and over those portions of The Resort (whether Common Area or otherwise) reasonably necessary to the operation, maintenance, repair, and replacement of the Golf Course. Without limiting the generality of the foregoing, guests and invitees of the Golf Course shall have the right to park their vehicles on the roadways located within The Resort at reasonable times before, during, and after tournaments and other similar functions held by or at the Golf Course to the extent that the Golf Course has insufficient parking to accommodate such vehicles.

### 13.4. Easements for Golf Course.

The following easements apply only to the Golf Course:

- (a) The owner(s) of the Golf Course, their respective lessees, agents, successors, and assigns, shall have non-exclusive easements over The Resort as necessary for ingress and egress, utilities, and such other purposes as may be reasonably necessary or convenient to the establishment, operation, maintenance, repair, and replacement of the Golf Course. Such agreement shall include, but not be limited to, the creation of noise relating to the normal maintenance and operation of the Golf Course. The benefited parties shall be obligated to use due care in the exercise of such easement rights.
- (h) Every Lot and the Common Area is burdened with an easement permitting: (i) the ilight of golf balls over, across, and upon such property; and (ii) golf balls unintentionally to come upon such areas. Golfers, at reasonable times and in a reasonable manner may come upon the Common Area to retrieve golf balls. The existence of this easement shall not relieve golfers of liability for damage caused by errant golf balls.

Under no circumstances shall any of the following Persons be held liable for any damage or injury resulting from errant golf balls or the exercise of this easement: Declarant; the lessee, operator, or manager of the Golf Course, the Association or its Members (in their capacities as such); any Builder or contractor (in their capacities as such); any officer, director, or partner of any of the foregoing, or any officer or director of any partner.

- (c) Any portion of The Resort which is immediately adjacent to the Golf Course is hereby burdened with a non-exclusive easement in favor of the adjacent Golf Course for overspray of water, pesticides, and chemicals from the irrigation system serving the Golf Course.
- (d) The Association and the lessee, manager, or operator of the Golf Course, their respective agents, employees, contractors, successors, and assigns, shall have a perpetual nonexclusive easement, to the extent reasonably necessary, over The Resort, for the installation, operation, maintenance, repair, replacement, observation, and control of the entire irrigation system and equipment serving all or portions of the Golf Course.

### 13.5. Assumption of Risk and Indomnification.

Each Owner, by its purchase of a parcel of a Lot in The Resort, acknowledges the inherent dangers associated with living in proximity to the Golf Course and hereby expressly assumes the risk of personal injury, property damage, or other loss caused by maintenance, operation, and general use of the Golf Course, including, without limitation: (a) noise from maintenance equipment (it being specifically understood that such maintenance typically takes place around or before sunrise or after sunset); (b) noise caused by golfers; (c) use of pesticides, herbicides, and fertilizers; (d) view restrictions caused by maturation of trees and shrubbery, the construction of berms, or the regrading of the Golf

Course, (e) use of effluent in the Irrigation of the Golf Course; (f) reduction in privocy caused by constant golf iraffic on the Golf Course or the removel or pruning of shrubbery or trees on the Golf Course; (g) errant golf halls and golf clubs; and (h) design or redesign of the Golf Course.

Each such Owner agrees that neither Declarant; any successor Declarant; any Bullder; the Association; any entity leasing, managing, or operating the Golf Course; any officer, director or partner of any of the foregoing, or any officer or director of any partner; or any organizer or sponsor of any tournament or special event (collectively, for purposes of this Section 13.5, the "Released Partles") shall be liable to any Owner claiming any loss, injury, or damage based upon, due to, arising from, directly or indirectly, or otherwise related to the proximity of such Owner's Lot to the Golf course, the management of the Golf Course, or line exercise of the eesement rights sel forth in this Article XIII, even if such loss, damage, or injury is caused in whole or in part by the negligence of any of the Released Partles. THE FOREGOING RELEASE IS INTENDED TO RELEASE THE RELEASED PARTIES FROM AND AGAINST THEIR OWN NEGLIGENCE.

### Article XIV Morigagee Provisions.

#### 14.1. No Priority.

No provision of this Declaration or the By-Laws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Lot in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

### 14.2. Notice to Association.

Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Lot.

### PART SEVEN: CHANGES IN THE COMMUNITY

Communities such as The Resort are dynamic and constantly evolving as circumstances, technology, needs and desires, and laws change, as the residents age and change over time, and as the surrounding community changes. The Resort and the Governing Documents must be able to adapt to these changes while protecting the special features that make The Resort unique.

# Article XV Changes in Ownership of Lots.

Any Owner desiring to sell or otherwise transfer title to a Lot shall give the Board written notice of the name and address of the purchaser or transferee and the date of such transfer of title within 60 days after the sale. The transferor shall continue to be jointly and severally responsible with the transferee for all obligations of the Owner of the Lot, including assessment obligations, until the date upon which such notice is received by the Board or the date title transfers, whichever is later.

#### Article XVI Chonges in Common Area.

# 16.1. Condemnation.

If any part of the Common Area shall be taken (or conveyed in lieu of and under threat of condemnation by the Board acting on the written direction of Members representing at least 67% of the total Class "A" votes in the Association and of Declarant, as long as Declarant owns any property for development or sale within The Resort) by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to written notice of such taking or conveyance prior to disbursement of any condemnation award or proceeds from such conveyance. Such award or proceeds shall be payable to the Association to be disbursed as set forth in this Article.

If the taking or conveyance involves a portion of the Common Area on which improvements have been constructed, the Association shall restore or replace such improvements on the remaining land included in the Common Area to the extent available, unless within 60 days after such taking. Declarant, so long as Declarant owns any property for development or sale within The Resort, and Members representing at least 75% of the total Class "A" vote of the Association shall otherwise agree. Any such construction shall be in accordance with plans approved by the Board. The provisions of Section 7.3(c) regarding funds for restoring improvements shall apply.

If the taking or conveyance does not involve any improvements on the Common Area, or if a decision is made not to repair or restore, or if net funds remain after any such restoration or replacement is complete, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board shall determine.

#### 16.2. Partition.

Except as permitted in this Declaration, the Common Area shall remain undivided, and no Person shall bring any action partition of any portion of the Common Area without the written consent of all Owners and Mortgagees. This Section shall not prohibit the Board from acquiring and disposing of tangible personal property nor from acquiring and disposing of real property which may or may not be subject to this Declaration.

# 16.3. Transfer or Dedication of Common Area.

The Association may only dedicate, transfer, or mortgage portions of the Common Area with the approval of 67% of the Class "A" Members of the Association and the consent of the Class "B" Member, if any.

# 16.4. Actions Requiring Owner Approval.

If either the U.S. Department of Housing and Urban Development or the U.S. Department of Veterans Affairs insures or guarantees the Mongage on any Lot, then the following actions shall require the prior approval of Members representing not less than two-thirds (2/3) of the total Class "A" votes in the Association and the consent of the Class "B" Member, if such exists: merger, consolidation or dissolution of the Association; annexation of additional property; and dedication, conveyance or mortgaging of Common Area. Notwithstanding anything to the contrary in Section 16.1 or this Section, the Association, acting through the Board, may grant easements over the Common Area for installation and maintenance of utilities and drainage facilities and for other purposes not inconsistent with the intended use of the Common Area, without the approval of the membership.

# Article XVII Amendment of Declaration.

# 17.1. By Declarant.

Notwithstanding onything herein to the contrary, Declarant shall have the sole right, in its sole discretion (but not the obligation), at any time prior to expiration of the Class "B" Control Period, to control, perform and/or conduct any or all following:

- (1) appoint all members of the Board of Directors (including itself);
- (11) terminate the Board of Directors;
- (III) amend this Declaration, in whole or in part;
- (Iv) enforce the Covenants, Conditions and Restrictions and other provisions provided for under this Declaration;
- (v) review, determine and enforce the architectural control of the Lots; and
- (vi) assigns its rights and obligations under this Declaration to ony entity of any time, in whole or in part.

Declarant's rights set forth above are absolute in its sole discretion and do not require the approval, consent, or joinder of (i) any Owner, (ii) the Association, (iii) the Board of Directors, or (iv) any committees or other parties which may be established with respect hereto. Upon the expiration of the Class "B" Control Period, all of such rights of enforcement shall revert to the Association as well as all Owners as otherwise provided herein.

In the event any provision herein is in contradiction to this Section 17.1, in whole or in part, this Section 17.1 shail prevoil.

### 17.2. By Members.

Except as otherwise specifically provided above and elsewhere in this Declaration, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of Members representing 75% of the total Class "A" votes in the Association, including 75% of the Class "A" votes held by Members other than Declarant, and the consent of Declarant, so long as Declarant owns any property subject to this Declaration or which may become subject to this Declaration in accordance with Section 9.1. In addition, the approval requirements set forth in Anicle XIV shall be met, if applicable.

Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clouse.

### 17.3. Validity and Effective Date.

No amendment may remove, revoke, or modify any right or privilege of Declarant or the Class "B" Member without the written consent of Declarant or the Class "B" Member, respectively (or the assignce of such right or privilege).

If an Owner consents to any amondment to this Declaration or the By-Laws, it will be conclusively presumed that such Owner has the authority to consent, and no contrary provision in

any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

Any amendment shall become effective upon Recording, unless a later effective date is specified in the amendment. Any procedural challenge to an amendment must be made within six months of its Recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration.

#### 17.4. Exhibits.

Exhibit "A". Exhibit "B". Exhibit "C", and Exhibit "D" to this Declaration is incorporated by this reference and amendment of any soch exhibit shall be governed by this Article XVII.

IN WITNESS WHEREOF, the undersigned Occlarant has executed this Declaration the date and year first written above.

The Resort at Eagle Mountain Lake, L.P., a Texas limited partnership

By: Centurion American Custom Homes, Inc., its general partner

By: Mchrdad Moayedi, President

STATE OF TEXAS:

COUNTY OF DONOME

This instrument was acknowledged befor me, the undersigned authority, on this 29 day of July, 1999, by Mehrdad Moayedi, President of Centurion American Custom Homes, Inc., general partner of The Resort at Eagle Mountain Lake, L.P., a Texas limited partnership, for the purpose and consideration therein expressed, and in the capacity therein stated.

TABITHA MICHELLE ALMOND
MY COMMISSION EXPIRES
August 15, 2001

Notaty Public. State of Texas

My Commission Expires: 8-15-200)

After recording, please return to:

THE BROWN LAW FIRM
ATTORNEYS AND COUNSELORS AT LAW
SEED EAST SOUTHLAND SLAW SUPER 150
SOUTHLAND, TEXAB 70092

# EXHIBIT "A"

Legal Description of Real Property to be Initially Submitted TRACT I:

Parts of the THOMAS ROBINSON SURVEY, ABSTRACT NO. 1309 and the D. M. DAVIS SURVEY, ABSTRACT NO. 446, situated near Eagle Mountain Lake in the northwest part of Tarrant County, Texas; and embracing a portion of the 322-81/100 acres tract described in the deed to Harston Gravel Company recorded in Volume 8183, Page 24 of the Tarrant County Deed Records;

BEGINNING at a 2 inch pipe with braces cap marked "NWJW 60" for a reentrant corner of said 322-81/100 acres tract and by deed call the northwest corner of the J. Wilcox Survey, Abstract No. 1722;

THENCE South no degrees 12 minutes 22 seconde East, along an east line of said 322-81/100 acres tract, 1198-23/100 feet to a 2 inch pipe with brase cap marked "SSE TR" for the southerly southeast corner of said 322-81/100 acres tract;

THENCE North 89 degrees 58 minutes 04 seconds West, along the southerly south line of said 322-81/100 acres tract, at 1099-48/100 feet a 2 inch pipe with brass cap marked "TR-1" bears north no degrees 01 minutes 56 seconds east 1 foot, at 1192-1/10 feet a 5/8 inch iron bears north no degrees 01 minutes 56 seconds east 1-1/10 feet, at 1464-3/10 feet a 5/8 inch iron bears north no degrees 01 minutes 56 seconds east 0-5/10 of a foot, in all 1622-91/100 feet to the southerly southwest corner of said 322-81/100 acres tract from which a 2 inch pipe with brasa cap marked "TR-2" bears north no degrees 02 minutes 51 seconds west 90 feet;

THENCE North no degrees 02 minutes 51 seconds West, along a west line of said 322-81/100 acres tract, at 90 fest pass said 2 inch pipe with brass cap, in all 141-16/100 fest to a 5/8 inch iron on east bank of Gilmore Creek;

THENCE northeasterly and northwesterly down said Gilmore Creek;

North 34 degrees no minutes 39 saconds East 324-23/100 feet; North 29 degrees 59 minutes 21 saconds West 218-07/100 feet; North 85 degrees 59 minutes 21 seconds West 000-97/100 feet; North 12 degrees 29 minutes 21 seconds West 385-33/100 feet to a point for cornar in a north line of aaid 322-81/100 acree tract;

THENCE South 79 degrees 02 minutes 26 seconde East, along a lins of said 322-81/100 acres tract, at 251-2/10 feet a 5/8 inch iron bears south 10 degrees 57 minutes 34 seconde west 0-2/10 of a foot, in all 304-90/100 feet to a 5/8 inch iron;

THENCE northwesterly along the west line of said 322-81/100 acres tract;

North 08 degrees 19 minutes 38 seconds Weet, at 571-90/100 feet a 5/8 inch iron bears north 81 degrees 40 minutes 22 ecconds east 0-1/10 of a foot, in all 580-21/100 feet to a

Exhibit "A" - Page 1

G.F. No. 235720SBC Form No. 020 5/8 inch iron for corner of said 322-81/100 acres tract;
North 75 degrees 38 minutes 55 seconds West, at 92-4/10 feet
pass a 5/8 inch iron, in all 357-18/100 feet to a 5/8 inch
iron for corner of said 322-81/100 acres tract;
North 46 degrees 36 minutes 30 seconds West 226-30/100 feet
to a 5/8 inch iron for corner of said 322-81/100 acres tract;
North 55 degrees 44 minutes 30 seconds West 9-01/100 feet to
a 2 inch pipe with brass cap marked "TR-6" for the Westerly
southwest corner of said 322-81/100 acres tract;

THENCE North no degrees 09 minutes East, along the west line of said 322-81/100 acres tract, at 135-6/10 feet pass a 5/8 inch iron, at 197-1/10 feet a 5/8 inch iron bears north 89 degrees 51 minutes west 0-3/10 of a foot, at 638-05/100 feet a 2 inch pipe with brass cap marked "TR-8" bears south 89 degrees 51 minutes east 0-1/10 of a foot, at 1361-6/10 feet a 5/8 inch iron bears south 89 degrees 51 minutes east 0-4/10 of a foot, at 1798-5/10 feet a 5/8 inch iron bears north 89 degrees 51 minutes west 0-15/100 of a foot, at 1837 feet a 2 inch pipe with brass cap marked "TR-9" bears south 89 degrees 51 minutes east 0-16/100 of a foot in all 2797-02/100 feet to a 2 inch pipe with brass cap marked "TR-10" for the northwest corner of said 322-81/100 acres tract;

THENCE South 89 degrees 28 minutes East, along the north line of said 322-81/100 acres tract, 503-66/100 feet to a 5/8 inch iron at elevation 649 feet for the northwest corner of Tract 2, a 0-40/100 of an acres tract described in the deed to Tarrant County Water Control and Improvement District Number One recorded in Volume 1122, Page 613 of the said Deed Records;

THENCE southeasterly along elevation 649 feat for the southwesterly line of eaid Tract 2;

South 02 degrees 17 minutes 30 seconds East 57-82/100 feet; South 06 degrees 22 minutes 43 seconds East 79-73/100 feet; South 17 degrees 03 minutes 56 seconds East 93-11/100 feet; South 41 degrees 15 minutes 40 seconds East 107-08/100 feet; South 61 degrees 02 minutes 14 seconds east 88-26/100 feet; South 74 degrees 27 minutes 35 seconds East 120-31/100 feet to a 5/8 inch iron for the south corner of said Tract 2;

THENCE South no degrees 06 minutes 52 seconds West, along a line of said 322-81/100 acres tract, at 42-84/100 feet pass a 2 inch pipe with brass cap marked "TR-12", in all 712-89/100 feet to a 2 inch pipe with brass cap marked "TR-13" for a reentrant corner of said 322-81/100 acres tract;

THENCE easterly along a north line of said 322-81/100 acres tract;

South 88 degrees 57 minutes 17 seconds East 800-44/100 feet to a 2 inch pipe with brass cap marked "TR-14" for a reentrant corner of said 322-81/100 acres tract;
North no degrees 39 minutes 08 seconds East 16-77/100 feet to a 2 inch pipe with brass cap marked "TR-15" for corner of said 322081/100 acres tract;
South 88 degrees 57 minutes East 1261-32/100 feet to a 5/8

Exhibit "A" - Page 2

G.F. No. 235720SBC Form No. 020 inch iron for resentrant corner of said 322-81/100 acres tract;
North no degrees 01 minutes West, at 492-54/100 feet pass a 2 inch pipe with brass cap marked "TR-17", in all 512-50/100 feet to a 5/8 inch iron at elevation 649 feet for the southwest corner of Tract 3, a 14-64/100 acres tract described in the deed to Tarrant County Water Control and Improvement District Number One recorded in Volume 1122, Page 613 of the said Deed Records;

THEHCE easterly along elevation 649 feet for the south line of said Tract 3;

North 41 degrees 16 minutes 06 seconds East 58-87/100 feet;
North 74 degrees 09 minutes 53 seconds East 299-80/100 feet;
North 47 degrees 15 minutes 25 seconds East 50-64/100 feet;
North 81 degrees 40 minutes 35 seconds East 112-67/100 feet;
North 65 degrees 26 minutes 27 seconds East 145-53/100 feet;
South 85 degrees 55 minutes 46 seconds East 72-07/100 feet;
North 87 degrees 58 minutes 40 seconds East 127-27/100 feet;
South 84 degrees 41 minutes 52 seconds East 27-46/100 feet;
North 41 degrees 15 minutes 36 seconds East 27-46/100 feet;
South 86 degrees 03 minutes 30 seconds East 140-21/100 feet;
South 72 degrees 36 minutes 38 seconds East 168-99/100 feet;
South 82 degrees 26 minutes 09 seconds East 70-60/100 feet;
South 63 degrees 12 minutes 42 seconds East 52-02/100 feet;
South 62 degrees 24 minutes 17 seconds East 52-02/100 feet;
North 61 degrees 25 minutes 09 seconds East 56-28/100 feet;
North 61 degrees 58 minutes 09 seconds East 56-28/100 feet;
North 40 degrees 58 minutes 09 seconds East 56-28/100 feet;
North 40 degrees 58 minutes 09 seconds East 56-28/100 feet;
North 40 degrees 58 minutes 09 seconds East 56-28/100 feet;
North 40 degrees 58 minutes 09 seconds East 56-28/100 feet;
North 40 degrees 40 minutes 22 seconds East 56-28/100 feet;
North 40 degrees 58 minutes 09 seconds East 56-28/100 feet;
North 40 degrees 58 minutes 09 seconds East 56-28/100 feet;
North 40 degrees 58 minutes 09 seconds East 56-28/100 feet;
North 40 degrees 58 minutes 09 seconds East 56-28/100 feet;
North 40 degrees 58 minutes 09 seconds East 56-28/100 feet;
North 40 degrees 58 minutes 09 seconds East 56-28/100 feet;
North 40 degrees 58 minutes 30 9 seconds East 56-28/100 feet;
North 40 degrees 58 minutes 30 9 seconds East 56-28/100 feet;
North 40 degrees 58 minutes 30 9 seconds East 56-28/100 feet;
North 40 degrees 58 minutes 50 9 seconds East 56-28/100 feet;

THENCE South no degrees 45 minutes 04 seconds West, along the east line of said 322-81/100 acres tract 2716-03/100 feet to the easterly southeast corner of said 322-81/100 acres tract from which a 2 inch pipe with brass cap marked "DMD-1" bears south 89 degrees 58 minutes 58 seconds west 30 feet;

THENCE South 89 degrees 58 minutes 58 seconds West, along a south line of said 322-81/100 acres tract, to and along the north line of a 1 acre tract described in the Quit Claim deed to Dido Cemetery Association recorded in Volume 6265, Page 621 of the said Deed Records, 626-63/100 feet to a 5/8 inch iron for the northwest corner of said 1 acre tract;

THENCE South no degrees 46 minutes 44 seconds West, slong the west 11ne of said 1 sore traot, 277-90/100 feet to 8 5/8 inch iron for the southwest corner of said 1 acre traot;

THENCE South 89 degrees 51 minutes West, along a south line of said 322-81/100 acres tract, at 522-17/100 fest a 2 inch pipe with brass cap marked "SW DMP" bears north no degrees 09 minutes west brass cap marked "SW DMP" bears north no degrees 09 minutes west 1-9/10 fest, in all 962-37/100 fest to the PLACE OF BEGINNING.

Exhibit "A" - Page 3

G.F. Ho. 2357208BC Form No. 020 TRACT II:

Part of the THOMAS ROBINSON SURVEY, ABSTRACT NO. 1309, situated in the North part of Eagle Mountain Lake in the Northwest part of Tarrant County, Texas; and embracing a portion of Tract I described in the deed to Tarrant County Water Control and Improvement District No. 1 recorded in Volume 1122, Page 613 of the Tarrant County Deed Records;

COMMENCE at a 2 inch pipe for the Northwest corner of the tract described in the deed to Harston Gravel Company, Inc. recorded in Volume 8133, Page 24 of the said Daed Records in the common line of the said Robinson and the D.T. Flores Survey, Abstract No. 508; and then run, South no degrees-09 minutes West 2797-82/100 feet to the Northerly Southwest corner of said Gravel Company tract and the North corner of said Tract 1, and then along North line of said Tract 1 South 46 degrees-34 minutes East 226-4/10 feet, South 75 degrees-35 minutes East 357-18/100 feet to a reentrant corner of said Gravel Company tract and Northeast corner of said Tract I; and South 8 degrees-19 minutes East 6-3/10 feet the elevation 649 feet above mean sea level for the boundary of Eagla Mountain Lake and the Northeast and beginning corner of the tract being described;

THENCE along eaid elevation 649 feet contour for the boundary of lake with ite meanders:

North 87 degrees-11 minutes-58 seconds West 69-98/100 feet;

South 3 degrees West 30 feet;

South 69 degrees West 90 feet;

South no degrees-15 minutas West 60 fast;

South 66 degrees-30 minutae West 30 feat;

South 6 degrees-30 minutes West 60 feet;

South 31 degreas-45 minutes East 50 feet;

South 66 degrees-20 minutas East 00-11/100 feet;

South 29 degrees East 40 feet;

South 13 dagrees-45 minutae East 150 fest; and

South 26 degrees East 120 fast to a Southarly line of said Gravel Company tract and South line of said Trect I;

THENCE South 79 degrees-02 minutes-26 seconds East, along said Southarly line of Gravel Company tract and said South line of Tract I, a distance of 53-74/100 feat to a reentrant corner of said Gravel Company tract and Southeast corner of said Tract I;

THENCE North 8 dagrees-19 minutes West, along a Westerly line of

Exhibit "A" - Paga 4

G.F. No. 2410746BC

Form No. 020

eaid Gravel Compeny treet end Eest line of said Tract I, a distance of 571-90/100 feet to the PLACE of BEGINNIHG and containing 1-64/100 acres, more or leee.

TRACT III:

Parte of the D.T. FLORES SURVEY, ABSTRACT NO. 508 and the THOMAS ROBINSON SURVEY, ABSTRACT NO. 1309, situated in the North part of Eagle Mountain Lake in the Northwest pert of Terrant County, Texas; and embracing a portion of the tract described in the deed to Tarrant County Water Control and Improvement Dietrict No. 1 (hereinafter called Improvement Dietrict) recorded in Volume 1983, Page 640 of the Tarrant County Deed Records and a portion of the tract described in the deed to the Improvement District recorded in Volume 1983, Page 634 of eaid Deed Records;

BEGIHHING at a 2 inch pipe for the Horthweet corner of the trect described in the deed to Herston Gravel Company, Inc. recorded in Volume 8133, Page 24 of the seid Deed Recorde the common line of said Floree and Robinson Surveys;

THENCE south 89 degrees-28 minutes East, elong the Horth line of the eaid Gravel Company tract for the eaid eurvey line, 503-66/100 feet to elevation 649 feet above own eca level for the boundary of Eagle Mountain Lake;

THENCE elong seid elevation 649 feet contour for the said boundary of lake with ite meandere;

North 10 degrees-56 1/2 minutes East, 143 feet;

North 12 degrees West, 35 feet;

Horth 81 degrees West, 33 feet;

North 68 degrees West, 80 feet;

Horth 88 degrees West, 67 feet;

South 63 degrees West, 70 feet;

South 83 degrees West, 88 feet;

South 66 degrees West, 59 feet;

South 44 degrees West, 57 fest;

North 66 degress West, 45 feet;

South 81 degrees West, 33 fest;

South 19 degrees West, 89 fest;

South 45 degrees West, 50 feet;

South 4 degrees West, 85 feet;

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G.F. No. 24107488C Form Ho. 020

South 18 degrees West, .73 feet;

South 35 degrees West, 164 feet;

South 10 dagrass East, 262 feet;

South 19 degraes West, 90 feet;

South 30 degrees East, 51 feet;

South 61 degrees East, 68-29/100 fset;

South 6 degrees West, 57 fset;

South 41 degrees West, 39 feet;

South 16 degrees East, 27 feat;

South 52 degress East, 42 feet;

South 4 dagrees West, 60 feet; and

South 28 dagraes-03 minutes Eest, 95-4/10 fest to the West line of said Grevel Company tract;

THENCE North no degrees-09 minutes East, along the seid West lins of Grevel Company tract, 998-5/10 fest to the PLACE OF BEGINNING and containing 3-92/100 ecres, mors or less, of which 1-94/100 acres are within the said Flores Survey end 1-98/100 acres are within the said Robinson Survey;

#### TRACT IV:

Part of the THOMAS ROBINSON SURVEY, ABSTRACT NO. 1309, situated on the North end of Esgls Mountain Lake in the Northweet part of Tsrrant County, Texss; and ambracing a portion of the tract described in the deed to Tarrant County Water Control and Improvement Dietrict No. 1 recorded in Volume 1083, Pags 634 of the Tarrant County Oeed Records;

COMMENCE at the Northwest corner of the tract described in the deed to Harston Gravel Company, Inc. recorded in Volume 8133, Page 24 of the said Deed Records, in the common line of the said Robinson Survey and the D.T. Flores Survey, Abstract No. 508; and then run, South no degrees-09 minutes West along the West line of said Gravel Company tract, 1436-30/100 feet to elevation 649 feet above mean sea level for the boundary of said Eagle Mountain Lake for the Northeest and beginning corner of the tract being described;

THENCE South no degrees-09 minutes West, continuing slong said West line of Gravel Company tract, 1164-80/100 feet to elevation 649 feet above meen sea level for the Southeast corner;

THENCE elong said elevation 649 feet contour for the said boundary of lake with its meanders:

Exhibit "A" - Pags 6

G.F. No. 2410745BC Form No. 020

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North 69 degraes-33 minutes West 24-7/10 feet;
 South 73 dsgreee Weet 50 feet;
 North 53 degrees West 70 fest;
 South 54 degreee West 67 fest;
 North 60 degrees West 218 feet;
 North 42 degrees West 193 feet;
 North 72 degrace West 80 feet;
 North 57 dagrass West 100 feet;
 North 82 degrees West 40 feet;
 North 12 degrees East 45 feet;
 North 80 degrase East 65 feet;
 South 46 degrees East 70 faet;
North 77 degrees East 60 feet;
North 30 degrees East 140 fest;
North 34 degrese-41 minutes East 87-6/10 feet;
North 15 degrees East 110 feet;
North 8 degress West 100 faet;
North 27 dagrass West 130 feet;
North 17 dagraes West 130 fast;
North 12 degrees West 160 feet;
North 38 degrees West 30 fset;
North 66 dagrees-17 minutes West 138-8/10 feet;
North 46 degrees West 70 feet;
South 23 degrees West 40 feet;
South 64 degrees West 30 feet;
North 52 degrees West 110 fest;
North 33 degrees West 90 feet;
North 135 faet;
North 4 degrees Eset 190 feet;
              Exhibit "A" - Page 7
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G.F. No. 2410748BC

Form No. 020

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North 50 degrses East 55 fset;
North 4 degrses East 90 feet;
North 43 degrees Eact 81 feet;
North 11 degrees Weet 131 feet;
North 26 dagraes East 67 feet;
South 63 degrees East 153 fast;
South 43 degrees West 70 feet;
South 26 dagrees East 39 fast;
South 61 degrees East 73 feet;
South 26 degrees East 412 feet;
South 43 degrees East 98 feet;
South 71 dagrees East 136 fset;
South 70 feat;
South 48 dagrees East 38 feet;
North 64 dagrees East 36 feet;
South 81 degrace East 55 feet;
South 48 dagress East 110 fast; end
```

#### TRACT V:

A part of the TNOMAS ROBINSON SURVEY, ABSTRACT NO. 1309, situsted in the Northwest part of Tarrant County, Tsxas; and embracing all of Tract No. 4 described in the Dsed to the Tarrent County Water Control and Improvement Dietriot No. 1 recorded in Volums 1083, Pags 634 of the Dsed Records of Terrant County, Texas and described by mates and bounde as followe:

containing 20-26/100 acree, more or less.

South 31 degreee East 63 feet to the PLACE OF BEGINNING and

COMMENCING st e 2 inch pipe with brass cap marked "TR-10" for the Northwest cornsr of the 322-61/100 acres tract described in the deed to Nsrston Grsvel Company recorded in Volume 8183, Page 24 of said Deed Records and run South 59 degrees-30 minutes-34 seconds West, 2101-03/100 fest to elevation 649 feet mean sea level for the boundary of Eagle Mountain Lake and a Northeast and beginning corner of the tract being described;

THENCE along said elevation 649 fsst contour for the esid boundary of lake with its meanders the following:

Exhibit "A" - Page 8

G.F. No. 2410745BC Form No. 020

```
North 73 degrees-59 minutes-26 seconds East, 120-02/100 feet;
South 88 dagraes-00 minutes-31 seconds Eest, 47-30/100 feet;
South 41 dsgress-40 minutes-14 seconds Esst, 34-12/100 fest;
South 39 degrees-32 minutes-58 seconds East, 61-15/100 feet;
South 55 dagrass-22 minutes-52 seconds West, 122-20/100 feet;
South 49 degrees-09 minutes-18 seconds West, 111-83/100 feet;
South 39 degrase-17 minutes-40 seconds Eaet, 19-00/100 feet;
South 64 degrees-45 minutes-48 seconds East, 52-17/100 fest;
South 33 degrees-07 minutes-39 esconds East, 43-01/100 fsst;
South D5 degrees-05 minutes-13 ecoonds Wast, 77-37/100 feet;
South 42 degrees-28 minutes-17 seconds East, 14-84/100 fest;
South 53 degrees-53 minutes-04 coconds East, 32-93/100 feet;
South 51 degrass-29 minutse-56 seconds East, 42-72/100 feet;
South 42 degrees-20 minutes-55 seconde Eest, 75-76/100 feet;
South 48 degrees-14 minutes-42 seconds East, 92-25/100 feet;
South 85 degreee-08 minutes-13 seconds East, 118-96/100 fest;
North 67 degrace-48 minutes-02 seconds East, 109-91/100 feet;
North 79 degrees-42 minutes-40 seconds East, 50-89/100 feet;
South 75 degrees-11 minutes-14 seconds East, 56-63/100 feet;
South 70 degress-02 minutes-51 seconds East, 66-88/100 fest;
South 66 dsgreee-34 minutes-38 seconds East, 41-49/100 feet;
south 45 degrees-27 minutes-03 seconds Esst, 67-00/100 feet;
South 49 degreee-31 minutes-04 seconds East, 65-21/100 feet;
South 07 degress-40 minutes-19 seconds East, 43-52/100 feet;
South 11 degrees-48 minutes-20 seconds West, 52-53/100 fest;
South 49 degress-31 minutes-01 seconds West, 62-07/100 feet;
South 38 degrees-54 minutes-55 seconds West, 86-25/100 feet;
South 21 dsgrees-09 minutes-08 seconds West, 39-01/100 fset;
```

Exhibit "A" - Page 9

G.F. No. 24107455C Form No. 020

```
South 23 degrees-56 minutes-31 seconds East, 31-37/100 feet;
  South 18 degreee-07 minutee-57 seconde West, 18-30/100 feet;
  South 38 degrees-36 minutes-28 seconds West, 67-65/100 feet;
  South 70 degrees-03 minutes-59 seconds West, 1-24/100 feet;
  South 60 degrees-01 minutes-33 seconds West, 75-64/100 feet;
 South 62 degreee-41 minutes-08 esconds Wset, 89-14/100 fset;
 South 41 degrees-56 minutes-32 seconde West, 68-16/100 feet;
 South 30 degress-42 minutee-06 esconds Weet, 98-10/100 feet;
 South 22 degrees-44 minutee-59 ssconds West, 82-56/100 feet;
 South 46 degreee-26 minutee-20 seconde Weet, 82-39/100 feet;
 South 74 degrees-15 minutes-29 seconds West, 51-10/100 feet;
 South 78 degrees-26 minutes-18 seconds West, 24-75/100 feet;
 North 88 degrees-18 minutee-24 seconde West, 29-15/100 fset;
 North 52 degrees-01 minutes-33 eeconds West, 35-72/100 fset;
 North 50 degrees-29 minutes-47 seconds Weet, 46-40/100 feet;
 North 68 degrees-04 minutes-33 seconds West, 36-83/100 feet;
 South 69 degress-00 minutee-25 seconds Weet, 61-24/100 feet;
South 80 degrees-45 minutes-03 seconds West, 37-65/100 feet;
North 68 degrees-02 minutes-17 seconde Wast, 30-82/100 feet;
North 31 degrees-45 minutes-04 ecoonds Weet, 42-03/100 fest;
North 42 dagress-05 minutes-05 ssconds West, 15-06/100 fest;
North 89 degrees-05 minutes-46 ssconde West, 29-06/100 feet;
South 40 degress-57 minutes-49 seconds Wast, 12-80/100 feet;
South 79 degrees-12 minutee-39 seconds Weet, 26-64/100 feet;
North 60 degreee-20 minutee-43 seconds West, 25-19/100 fest;
North 26 degraes-19 minutes-16 seconde West, 26-05/100 feet;
North 29 degrees-46 minutes-20 seconds West, 26-39/100 feet;
South 67 degrees-28 minutes-86 seconds Weet, 85-34/100 feet;
South 11 degrace-28 minutes-62 seconds West, 79-64/100 feet;
```

Exhibit "A" - Page 10

G.F. No. 241074880

Form No. 020

```
South 59 degrees-47 minutes-43 esconds West, 99-96/100 feet;
  South 68 degrees-08 minutee-44 seconds Nest, 63-30/100 fest;
  South 79 degrees-59 minutes-15 ecconde Weet, 52-81/100 feet;
  North 63 degree-18 minutes-36 seconds Weet, 52-80/100 feet;
  North 42 degrees-29 minutes-48 seconde West, 57-56/100 feet;
 North 12 degrees-44 minutes-58 seconde West, 35-98/100 fset;
 North 03 degreee-41 minutes-00 ecconds East, 46-64/100 feet;
 North 09 degrees-12 minutes-45 seconds East, 58-82/100 fset;
 North 06 degreee-12 minutes-50 seconds Eeet, 73-30/100 feet;
 North 13 degreee-53 minutes-56 eeconds West, 96-26/100 feet;
 North 24 dagrees-48 minutes-34 seconds West, 152-77/100 feet;
 North 17 degress-26 minutes-42 eeconds West, 94-58/100 feet;
 North 12 degrees-41 minutee-22 seconds Weet 88-51/100 feet;
 North 20 dsgreee-11 minutes-20 seconds East, 91-91/100 feet;
 North 09 degrese-09 minutee-15 ecconds East, 100-54/100 feet;
 North 15 degrees-13 minutes-11 seconds East, 73-98/100 feet;
North 44 degreee-27 minutee-36 seconds East, 93-08/100 feet;
North 28 degreee-29 minutee-26 seconds East, 133-25/100 feet;
South 26 degreee-26 minutes-30 seconds East, 22-08/100 fset;
North 54 degrees-58 minutee-17 seconds East, 17-19/100 feet;
North 68 degrees-53 minutes-07 seconds East, 54-22/100 feet;
North 25 degreee-31 minutee-42 seconds East, 16-35/100 feet;
South 82 degrees-06 minutes-50 seconde East, 30-22/100 fest;
North 18 degrees-38 minutes-36 eeoonds East, 27-75/100 feet;
North 41 degrees-03 minutes-53 seconds East, 38-36/100 feet;
North 64 degrees-14 minutes-30 seconds East, 86-79/100 fest;
North 62 degrees-06 minutee-48 eeconds East, 116-62/100 feet;
North 40 degreee-18 minutes-34 eeconds East, 52-00/100 foot;
```

Exhibit "A" - Page 11

G.F. No. 2410748EC Form No. 020 North 68 degrees-45 minutes-26 eeconds East, 75-01/100 feet;

North 34 degrees-17 minutes-26 seconds East, 3-12/100 feet; to the PLACE OF BEGINNING and containing 27-502/1000 acres, more or less.

#### TRACT VI:

Part of the THOMAS ROBINSON SURVEY, ABSTRACT NO. 1309 end the D.T. FLORES SURVEY, ABSTRACT NO. 508, situeted on the North and of Eagle Mountain Lake in the Northwest part of Tarrant County, Texas; and embracing portions of the trecte described in the deede to Tarrant County Water Control and Improvement Dietrict No. 1 recorded in Volume 1071, Page 523, of the Tarrant County Deed Records and recorded in Volume 1169, Page 483 of the seld Deed Records;

COMMENCE at the Northwest corner of the tract described in the deed to Harston Gravel Company, Inc. recorded in Volums 8133, Page 24 of the said Deed Records in the common line of the said Robinson Survey and the D.T. Flores Survey, Abstract No. 508; and then run, South 89 degrees-28 minutes East, along the North line of said Gravel Company tract 503-66/100 feet; then South 2 degrees-17 minutes-30 seconds East, 57-82/100 feet; South 6 degrees-22 minutes-43 seconds East, 79-73/100 feet; South 17 degrees-03 minutes-46 seconds East, 93-11/100 feet; South 41 degrees -15 minutes-40 seconds East, 107-08/100 feet; South 61 degrees-02 minutes-14 seconds East, 88-26/100 feet; South 74 degrees -27 minutes-15 seconds East 120-31/100 feet to the Westerly Northeast corner of said Gravel Company tract to a 5/8 inch iron rod at elevation 649 feet above mean sea level for the boundary of said Eagle Mountain Lake for the Northwest and beginning corner of the tract being deecribed;

THENCE along said elevation 649 feet contour for the eaid boundary of lake with its meandere:

South 57 degrees-55 minutes East 107-8/10 feet;

South 85 degrees East 165 feet;

North 88 degrees East 189 fast;

South 75 degrees East 90 feet;

South 41 degrees East 216 feet:

South 60 degrees East 199 feet;

North 44 degreee East 38 faet;

North 23 degress West 132 feet;

North 4 degrees West 128 feet:

North 9 degrees Eest 112 feet;

Exhibit "A" - Pega 12

G.F. No. 241074SBC

Form No. 020

North 27 degrees East 160 feet;

South 48 degrees East 34 feet;

South 84 degraes East 37 feet;

North 36 degrees East 175 feet;

North 27 degrees Eest 120 fast;

North 42 degrees East 182 feet;

North 67 degrees East 62 feat;

South 3 degreee Eest 89 feet;

South 64 degrees East 67 feet;

South 29 degreea East 52 feet;

South 21 degrees West 107 feet;

South 15 degrees East 317 feet;

South 34 degrees East 170 feet;

South 58 degrees East 123-4/10 feet;

South 70 degrees East 130 feet;

South 88 degrees East 205 feet; and

North 65 degreee East 109 feet to a 5/8 inch iron rod for the Easterly Northwest corner of eaid Gravel Company trect and in the East line of said Volume 1169, Page 483 for the Southwest corner of Tract 3, a 14-64/100 ecree tract described in the deed to the Tarrant County Water Control and Improvement District No. 1 recorded in Volume 1122, Page 613 of the said Deed Recorda;

THENCE South no degrees-01 minutes East, along the East line of eaid Volume 1169, Page 483 of aeid Deed Records end a Weet line of said Gravel Company tract, 812-5/10 feet to e 2 inch pipe for the Southaast corner of eaid Volume 1169, Page 483 and a reentrant corner of eaid Gravel Compeny trect;

THENCE North 86 degreee-57 minutea West, along a North line of eaid Gravel Company traot, elong the South line of eaid Volume 1169, Page 483 to end elong aeid Volume 1071, Page 523, e dietence of 1261-31/100 feet to a 2 inch iron pipe;

THENCE south no degreee-09 minutes West 16-67/100 feat to a 2 inoh pipa;

THENCE North 88 degreee-57 minutes Weet, 800-2/10 feet to e 2 inch pipe for the Southeest corner of said Volume 1071, Page 523 and reentrant corner of Gravel Company tract;

Exhibit "A" - Page 13

G.F. No. 241074SBC Form No. 020 THENCE North no degrees-09 minutes East, along the West line of said Volume 1071, Page 523 and a West line of said Gravel Company tract, 712-9/10 feet to the PLACE OF BEGINNING and containing 32-93/100 acres, more or less.

### EXHIBIT "B"

Legal Description of Real Property Initially Making Up the Common Area

Exhibit "B" will be recorded at a later date.

# AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE RESORT AT EAGLE MOUNTAIN LAKE, A TARRANT COUNTY SUBDIVISION

THE STATE OF TEXAS	CO CO CO	KNOW ALL PERSONS BY THESE PRESENTS:
COUNTY OF TARRANT	§	

WHEREAS, The Resort At Eagle Mountain Lake, L.P. (the "<u>Declarant</u>") was the owner of certain property in the County of Tarrant, State of Texas, known as The Resort At Eagle Mountain Lake, (the "<u>Property</u>") and more particularly described in <u>Exhibit "A"</u> attached hereto and incorporated herein for all purposes; and

WHEREAS, by the certain instrument entitled Declaration of Covenants, Conditions, and Restrictions for The Resort At Eagle Mountain Lake, which was recorded in the Official Public Records of Tarrant County, Texas under Clerk's File No. D199192720 (the "Prior Restrictions"), the Declarant did impose on the Property all those certain covenants, conditions and restrictions easements, charges, and liens therein set forth and;

WHEREAS, the Prior Restrictions at Article I, Section 1.2 provide; and

WHEREAS, Texas Property Code, Section 204.008(2) provides that a modification of restrictions proposed by a property owner's association may be adopted at a meeting of the members represented by the property owner's association if written notice of the meeting stating the purpose of the meeting is delivered to each owner of property in the subdivision; and

WHEREAS, the amendment to the Declaration set forth below was proposed by The Resort At Eagle Mountain Lake Owner's Association; and

WHEREAS, the notice of the 2000 Annual Meeting of the members of the Association stated that one of the purposes of the 2000 Annual Meeting of the members of the Association was to have the members of the Association vote on amending and restating the Prior Restrictions as set forth below; and

WHEREAS, Article I, Section 1.2 approved the amendment to the Prior Restrictions set forth below as evidenced by the signatures of the President and Secretary of the Association to this document.

NOW, THEREFORE, Article I, Section 1.2 have adopted, established and imposed upon all the Lots in the Property, the following restrictions and covenants, all of which are for the

purpose of enhancing and protecting the value, desirability and attractiveness of the Lots in the Property for the benefit of present and future owners, which restrictions and covenants shall take the place of the Prior Restrictions and which shall run with the land and shall be binding upon all parties having or acquiring any right, title or interest in any of the Lots in the Property and shall inure to the benefit of each Owner thereof.

Exhibit "C": The Resort Architectural Rules: Section 5.21(a) Front Yard. Structures may not be closer than forty-three feet (43") from the front property lien; shall be amended as follows: "Section 5.21 (a) Front Yard. Structures may not be closer than twenty five feet (25") from the front property line."

IN WITNESS WHEREOF, the President and Secretary of the Association execute this document evidencing that they consented to and approved the amendment of the Prior Restrictions at the 2000 Annual Meeting of the members of the Association to be effective upon the date of filing of this Declaration in the Official Public Records of Real Property of Tarrant County, Texas.

EXECUTED AND DATED this the 26 day of December, 2000 ATTEST;
The Resort At Eagle Mountain Owner's Association, a Texas Non-Profit Corporation
By: Indialog
Name: Mehrdad Moayedi
Title: President -
By: BB Cll
Name: Ross Calhoun
Title: Secretary
THE STATE OF TEXAS § §
COUNTY OF TARRANT §
BEFORE ME, the undersigned notary public, on this day personally appeared Mehrdad Mondain, as President of The Resort at Eagle Mountain Lake Homeowner's Association, as Secretary of The Resort A Eagle Mountain Lake Homeowner's Association, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purpose and consideration therein expressed. SUBSCRIBED AND SWORN TO BEFORE ME on this the Alake day of December, 2000, to certify which witness my hand and official seal.  DIANE RADCLIFF Notary Public, State of Texas My Commission Expires  Notary Public - State of Texas My Commission Expires
Notary Public, State of Texas Notary Public - State of Texas

1/24/03

# SECOND AMENDMENT AND SUPPLEMENTAL DECLARATION TO

# DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR

# THE RESORT AT EAGLE MOUNTAIN LAKE A Tarrant County subdivision

WHEREAS, the "Declaration of Covenants, Conditions, and Restrictions for The Resort at Eagle Mountain Lake", hereinafter the "Declaration" was filed in Tarrant County, Texas on July 30, 1999 and;

WHEREAS, The Declarant desires to modify the Declaration of Covenants, Conditions, and Restrictions for The Resort at Eagle Mountain Lake effective January 24, 2003 as set forth below;

- 1. "Exhibit E" attached hereto is made a part of the Declaration and a part of Article XVII, Section 17.4 Exhibits. Any land described in "Exhibit E" that is not included in "Exhibit A" of the Declaration is hereby made a part of such "Exhibit A" of the Declaration AND is additional land made a part of The Resort under the authority granted in Sections 9.1 and 17.1 of the Declaration.
- Article II <u>Definitions</u> 2.17 "<u>Golf Course</u>" is deleted in its entirety and replaced with the following language: "a semi-private golf course for the use and enjoyment of Members of the Association, Owners and their families in addition to such members and individuals allowed access by the record owners and management of the course."
   Article II Definitions
- 3. Article II <u>Definitions</u> an additional definition is added as follows: "2.31 "<u>GCV</u>": A lot located in the Golf Course Villas which property legal description is set forth in "Exhibit E"
- 4. Article VIII Section 8.1, paragraph 3, insert the following at the end of the first sentence: "...and \$700.00 for each GCV Lot owned. These Base Assessments are in addition to any fees which may be required in the "The Resort Rules And Regulations The Villas" for lawn maintenance."
- 5. Article XIII 13.1 Golf Course: The second paragraph is hereby deleted in its entirety.
- 6. Exhibit C Architectural Rules 2.6 <u>Application Fee Required</u>: Delete this section and replace with the following language: "No application or plan will be processed without an application fee of \$150.00 which shall be paid at the time a plan is submitted. The application fees cover the cost of reviewing your plans by the ARC and a licensed architect and are non-refundable."
  - Exhibit C Architectural Rules 5.2 Minimum Floor area: Delete in its entirety and replace with the following: "The total air-conditioned living area of the main residential structure constructed on each Lot, (except GCV Lots) as measured to the outside of exterior walls but exclusive of open porches, garages, patios and detached accessory buildings, shall be not less than 2,500 square feet for interior lots and 3,000 square feet for lots located on the lake,

canal or golf course (hereinafter called "Amenity Lots"), or the minimum habitable floor area as specified by Tarrant County or the governing entity or entities having jurisdiction over same, whichever is the greater.

Exhibit C Architectural Rules - 5.6 Boat Docks: add to the end of the last 8. sentence: "and must be in compliance with Tarrant Regional Water District."

Exhibit C Architectural Rules - 5.8 Fencing and Walls: 9.

(a) Insert in (a) between the fourth and fifth sentences the following sentence: "Privacy Fence" shall mean a fence constructed along the portions of each side yard."

(b) Delete the following language from (a), Sentence 9: "Except as specifically permitted hereby..." and replace with: "With the exception of a Privacy Fence,...".

(c) Delete the following language from (b), Sentence 9: "Except as specifically permitted hereby..." and replace with: "With the

exception of a Privacy Fence,...",

Exhibit C "Architectural Rules" - 5.20 Roofing: Add the following sentences 10. between the first and second sentences: "Composition roofs are not restricted to specific brand names, however they must be of equal or better quality and appearance as Capstone or Slateline. Other styles or qualities of composition roofs may be used only with the approval, given on a case-by-case basis, of the ARC, Z-ridges shall be required on all roofs."

Exhibit C "Architectural Rules" - 5.21 Setbacks and Height Limitations: In 11. subsection (a.) Front Yard, delete: "Structures may not be closer than fortythree (43') from the front property line" and replace with "Structures may not be closer than twenty-five feet (25') from the front property line, and fortythree feet (43') from the street."

Exhibit D "Rules and Regulations" - Section 6.4 Construction Schedule: 12. Replace first sentence with: "Approved construction is limited to Monday through Saturday 7:00 a.m. to 6:00 p.m."

"Exhibit 'C' The Villas Architectural Rules" and "Exhibit 'D' The Villas 13. Rules and Regulations" attached hereto are made a part of the Declaration and a part of Article XVII, Section 17.4 Exhibits and shall be a supplement to replace "Exhibit C The Resort Architectural Rules" and "Exhibit 'D' The Resort Rules and Regulations" only for GCV Lots.

All terms and conditions contained in the Agreement not modified in this 14, Amendment shall continue in full force and effect and to the extent this Amendment modifies, or is inconsistent with, such terms and conditions, this

Amendment shall prevail.





IN WITNESS WHEREOF, the parties hereto have caused this Amendment to the Agreement to be executed by their duly authorized officers as of the Amendment Date.

### Declarant:

The Resort at Eagle Mountain Lake, L.P., a Texas limited partnership

By: Pars Investments, Inc., a Texas corporation Its General Partner

Name: Mehrdad Moayedi

Its: President

# Consented to by:

Resort Partners Villas, L.P. a Texas limited partnership

By: The Resort at Eagle Mountain Lake, L.P., a Texas limited partnership

By: Pars Investments, Inc., a

Texas corporation, Its General Partner

By: Mehrdad Moayedi

Its: President

Exhibit "C"

THE RESORT

ARCHITECTURAL RULES

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# The Resort Architectural Rules

The Board of Directors, along with the ARC, desires to maintain high standards of community living and a community of which you may be proud. Your cooperation will be greatly appreciated and will serve to enhance the quality of life with The Resort.

These Architectural Rules are hereby made a part of the Declaration of The Resort and charges the ARC with the responsibility for reviewing and approving plans for new homes, and alterations and improvements to existing homes. The purpose of this charge is to preserve the architectural integrity, pleasant environment and congruous appearance of The Resort.

NOTE: Any information furnished by builders, contractors, sales personnel, employees or committee members which is inconsistent with these Rules should be disregarded. If you have any questions regarding information contained in these Rules, please contact the ARC or the Declarant.

#### SECTION I DEFINITIONS

The following terms shall have the meanings as set forth below. All other capitalized terms used herein shall have the meanings assigned to such terms in the Declaration.

- ARC. "Architectural Rules" shall mean those rules and guidelines adopted by the
- 1.2 "Flood Hazard Area" shall mean that area within each lot between the water line of the Lake and a line parallel to and 24 feet inland from the water line.
- 1.3 "Improvements" shall mean any additions, changes, modifications or alterations to any part of a property. This includes, but is not limited to, modifications or changes to landscaping, colors of paint, installing or altering fences, driveways, screen walls, steps, decks, spas, hot tubs, lap pools, windows and doors, vents, mailboxes, hedges, trees and shrubs, antennas, patios, patio covers, balconies, awnings, garage doors, permanent barbecues, flag poles, outside lights, solar panels, wind vanes, external air conditioning equipment, water softeners, etc. All Improvements require approval by the ARC.

# SECTION 2 APPLICATION REQUIREMENTS

- 2.1 Application Required For All Improvements. If you plan to add, change, modify or alter any part of your property which is visible from a neighboring property, the street, or the Lake, you must submit to the ARC an application with two (2) sets of professionally prepared plans along with appropriate fees and deposits.
- 2.2 Application Required For Maintenance. Repairs and routine maintenance which do not alter the appearance of existing structures still require an application but no fee or deposit is required. Major repairs or complete replacement of a structure requires an application and conformity to current architectural standards.
- 2.3 Submit Application In Advance of Meeting. All applications must be submitted in complete form not less than one week prior to the next meeting of the ARC. Submit completed application with plans and the required fee/deposit to the ARC.

- 2.4 Approval Period. Owners should allow 30 days from the ARC's first scheduled meeting date following submission of the plans for the Architectural review process. The ARC may reject plans or require revisions. However, if the ARC fails to take any action to approve, disapprove, or request additional information or modifications within 5 days, the plans shall be deemed approved.
- 2.5 Architectural Approval Before Submission to Appropriate Governing Authority. All plans must first be approved in writing by the ARC before being submitted to the appropriate governing authority(ies) for review. Contractors may not be scheduled before plans are approved by the ARC and all other required authority(ies).
- 2.6 Application Fee Required. No application or plan will be processed without an application fee and deposit. The application fee covers the cost of reviewing your plans by the ARC as well as a licensed architect and are non-refundable. Applications are available from the ARC. Deposits are refunded if the application is denied or upon completion of the project (less any actual clean-up costs incurred by the Association).
- 2.7 Architectural Design. Careful attention must be given to aesthetic and functional consideration of any design submitted in order to achieve a quality of architectural and landscape design that will enhance and be compatible with the entire community. The following are particularly important:
  - a. Architectural Integrity. Variety and individuality within the scope of the existing architectural character of the neighborhood.
  - b. Appearance From All Angles. View from the water is important as well as views from neighboring properties and view from the street.
- 2.8 View Blockage. The Resort's CC&R's do not provide for the protection of existing or future views from any lot. Therefore, the Association has no legal duty to preserve or protect the views of any Owner. However, as a courtesy to neighbors consideration should be given to, wherever possible, lessening the impact any improvements may have on the views of neighboring properties.
- 2.9 Time Schedule For Construction. The Owner must provide a time schedule for the completion of construction as a part of the original plans submitted. The time schedule for commencement of construction and completion must be in accordance with Section 4.3(c) of the Declaration. The owner shall diligently proceed with the work so that all work is completed as required in said Section 4.3(c).
- 2.10 Architectural Plans. Preliminary drawings may be submitted for review and approval to the ARC before final working drawings are made. Two sets of drawings are required for each submission. When final approval is granted, one set will be retained by the ARC and one set will be returned. Preliminary and final working drawings must contain the following information;
  - a. Plot Plan. Plans must be drawn to scale of 1/8" " 1' and show the layout of the lot with all appropriate dimensions, a north arrow, the top and toe of all slopes, building outlines, roof outline, driveways, walks, fences (including heights), patio areas, pools and other site improvements, including waterline at Lake front, top of original pad (rear yard), etc.

- NOTE: Existing improvements must be marked as "existing" and house locations on adjacent properties must be shown on the drawing.
- b. Floor Plans. Floor plans must be drawn to a scale of 1/4" = 1% showing overall dimensions and area of building in square feet.
- c. Roof Plans. The roof plan must indicate the pitch and roof materials.
- d. Exterior Elevations. Plans must show exterior elevations at a scale of 1/4"= 1', showing doors and windows and indicating all materials used on exterior, including planters, gates, chimneys and fences. Indicate roof pitch und height above natural grade at highest point above referenced grade. Also, indicate height of wall at zero lot line, above adjacent grade.
- c. Drainage. Lot drainage must be shown with respect to its overall drainage in the addition and must submitted to the ARC at the time of submission of the Architectural Plans.
- f. Paint Colors. Two color samples (at least 2 square inches) of all colors which are to be used on the exterior of buildings, fences, walls, planters, walks, etc. must be submitted with the application.
- B. Professionally Prepared. Plans must be professionally prepared and a perspective sketch for design clarification may be required.
- 2.11 Landscape Plans. Two sets of landscape plans may be submitted with working drawings, specifications and colors. Plans must be drawn to scale of 1/4" = 1" and contain the following information: (i) plant species (common names), (ii) placement (note existing structures, trees, shrubbery and improvements as "existing"), (iii) sizes, i.e., 5 gallon, 24" box, etc., (iv) irrigation system, and (v) any other landscape detail that does not appear on the architectural plans. Trees with an expansive root system are not allowed in side yards near the privacy wall because the roots could damage the foundation. Trees to be planted on any lot must be a type, size and variety approved by Declarant. A list of approved trees will be available from the Declarant and no trees, except those which are approved by Declarant in writing shall be permitted.
- 2.12 Engineering And Code Requirements. Plans and specifications approved by the ARC are not approved for engineering design or building code specifications. Owners submitting plans for review by the ARC assume full responsibility and liability for ensuring compliance with applicable building codes, ordinances and specifications. The ARC only approves or rejects submittals in keeping with the aesthetic value of The Resort and conformance with these Architectural Rules.
- 2.13 Building Permits Do Not Constitute Approval. Despite any approvals given by the ARC, the Owner must separately obtain all appropriate building permits from the appropriate governing authority(ies). However, obtaining building permits does not constitute approval by the ARC nor does approval by the ARC constitute a waiver of any requirements of applicable governing statutes—these are two separate procedures and both must be conformed to.
- 2.14 Contractor Assistance. A contractor and/or architect may accompany an Owner to an ARC meeting upon scheduling with the ARC to assist the Owner if the Owner so desires.
- 2.15 Conflicts of Interest. Any ARC Member or Board Member who is deemed to have u personal interest in a submission cannot take any part in the decision making process.

Furthermore, any comments by a ARC Member or Board Member outside of a formal meeting will not be construed as an approval.

- 2.16 Rescinding Approval. The ARC has the right to rescind its approval if (i) the work is not done in accordance with the documentation submitted and approved by the ARC, (ii) the work has not received appropriate governmental approvals, or (iii) the ARC determines that such work will be significantly adverse to the interests of the Association.
- 2.17 Deviations From The Rules. The ARC reserves the right to grant certain deviations from the Architectural Rules. However, such deviations do not constitute a waiver of any Rule nor does it entitle any subsequent application to make nonconforming improvements.
- 2.18 Amendment To Rules. The ARC has the right to amend these Architectural Rules at any time without prior notice. Such amendments shall be binding. As a result, you must contact the ARC to obtain the most recent Rules.

# SECTION 3 REQUIREMENTS AFTER APPROVAL

- 3.1 No Construction Without Approval. Final working drawings and specifications must be approved by the ARC before any improvements may be undertaken. All approvals must be in writing. Starting construction without approval can result in. significant lines, loss of gate privileges (i.e., construction workers and materials will be turned away at the gate), and legal action.
- 3.2 Approval and Building Permits (if applicable) Must Be Posted. The approved architectural submittal form as well as all applicable permits must be posted on the Owner's garage clearly visible from the street until the final Inspection.
- 3.3 Approval Conditioned on Signed Construction Agreement. All approvals shall be conditioned on the signing of a construction agreement provided by the ARC. Failure to sign the agreement prior to the commencement of construction shall render the approval null and void.
- 3.4 Approval Lapses After Six Months. All approvals of plans for new work or alterations to existing structures shall be for six months from the date of approval. If work is not started before the expiration of this period, or if the property is sold, the approval automatically lapses and plans must be resubmitted for approval.
- 3.5 Notice of Completion. When the work is complete, the Owner must notify the ARC for inspection by the ARC, if the work conforms to the approved plans, the ARC will sign-off on the project. After sign-off by the ARC, the Deposit (less any costs for clean-up or repairs by the Association) will be returned to the Owner within 30 days.

# SECTION 4 GENERAL CONDITIONS FOR APPROVAL

4.1 Improvements Limited To Owner's Lot. All improvements are limited to the Owner's lot. It is the Owner's responsibility to verify the location of his or her lot lines and to abserve all appropriate set backs as well as take into account any casements which may burden the lot.

4.2 Building Permits. Prior to the commencement of construction, all applicable building permits must be obtained from appropriate governmental agencies. Approvals given by the ARC in no way relieve the Owner from complying with all governing governmental statutes, ordinances, and regulations.

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- 4.3 Owner Liable for Damage. Any damage caused by the Owner or his subcontractors, agents, employees or invitees to common areas or to the separate interests or personal property of others is the Owner's responsibility. If the damage is not repaired in a timely manner, the Association has the right to make the repairs and specially assess the Owner and/or take legal action against the Owner. If the Owner fails or refuses to pay the special assessment, the Association shall have the right to suspend construction, lien the Owner's property and exercise any other remedy provided for in the CC&R's or by law.
- 4.4 Inspections. The ARC has the right to periodically inspect the work and will conduct a final inspection before releasing the Deposit. Construction will be halted if inspections are not allowed. Such inspections or lack of inspections by the ARC do NOT relieve Owner from his duty to comply with the (i) CC&Rs, (ii) plans approved by the ARC, and (iii) all applicable building and fire codes.
- 4.5 Inaurance. All contractors and subcontractors must be licensed and carry appropriate amounts of Worker's Compensation Insurance, General Liability and Property Damage Insurance.
- 4.6 Indemnity. The consent of the ARC to improvements shall not give rise to any liability on the part of the Association, the ARC, or its representatives.
- 4.7 Approval of Nonconforming Improvements. Existing nonconforming improvements do not constitute a basis for granting approval of any new nonconforming improvements. The approval by the ARC of any plans, drawings or specifications for any work done or proposed or for any other matter requiring the approval of the ARC shall not constitute a waiver of any night to withhold approval of any similar plan, drawing, specification or matter subsequently submitted for approval.
- 4.8 Walver of Liability. Neither the ARC nor the Association or its officers, directors, agents or employees shall be liable for any damage, loss, or prejudice suffered or claimed on account of (i) the approval or disapproval of any plans, drawings and specifications, whether or not defective, (ii) the construction or performance of any work, whether or not pursuant to approved plans, drawings and specifications, (iii) the development of any property within the Project, or (iv) the execution and filings of Notice of Non-Compliance.

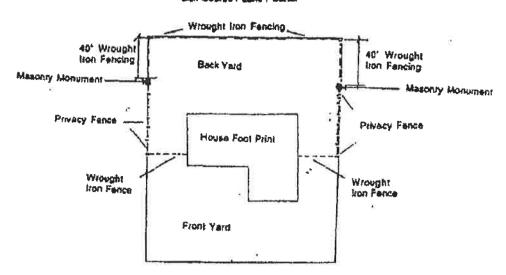
# SECTION 5 ARCHITECTURAL RESTRICTIONS

- 5.1 Building Materials. The total exterior wall area (as used herein the term "total exterior wall area" shall include first and second stories and shall exclude only windows, doors and gables) of each building ennstructed or placed on a Lot must be constructed 100% of brick, stone, or other masonry material approved by the ARC.
- 5.2 Minimum Floor Area. The total air-conditioned living area of the main residential structure constructed on each Lot, as measured to the outside of exterior walls hut exclusive of open porches, garages, patios and detached accessory buildings, shall be not less than 2,500 square feet, or the minimum habitable floor area as specified by Tarrant County or the governing entity or entitles having jurisdiction over same, whichever is the greater.

- 5.3 Air Conditioning Units. Location of air conditioning units and condensers shall be approved by the ARC. Types of air conditioning units and condersers shall be approved by the ARC so that the aesthetics and noise and vibration resulting from their operation can be evaluated by the ARC. Size and height of units should be shown on elevation drawings.
- 5.4 Alteration of Common Area. No owner shall, whether at his or her own expense or otherwise, do, make or suffer any alteration, addition or modification to any portion of the Common Areas.
- 5.5 Awnings. Retractable canvas awnings shall be approved on an individual basis by the ARC. A fabric color sample and sketch must be submitted. The use of bamboo, plastic or metal sun shades are NOT allowed, nor is reflective/mirror tinting.
- 5.6 Boat Docks. Installation of or alterations to boat docks require the approval of the ARC and shall follow the same procedures for application and approval as for all other improvements.
  - 5.7 Decks. Decks, swimming pools, and jacuzzi tubs are subject to ARC approval.
  - 5.8 Fencing and Walls.
    - Golf Course, Lakefront, and Canal Lots. All Lots that are adjacent to the golf course, lake and/or canals must have wrought iron fencing. The wrought iron fencing must be the type, quality and style approved by the ARC, must be consistent throughout the entire Resort, and must be painted with an an oil-based, semi-gloss black paint. The fencing along the entire rear property line and forty feet (40') along each side property line (measured from the rear property line and continuing toward the house) must be wrought iron. All of such lots must have wrought iron fencing between the house and the side property line so that the view of the golf course, lake, and/or canals from each street within The Resort shall not be obstructed. Privacy fences may be constructed only along those portions of each side yard from the point which is forty feet (40') from the rear property line to the point where the side yard fence meets the wrought iron fence which runs from the house to the side yard property line. Unless otherwise approved by the ARC, the privacy fence must be wood stockade, not more than eight feet (8') in height, and must be weather-protected and stained in a color approved by the ARC. A masonry column of a type, style and of a material approved by the ARC must be constructed at each point of transistion between the wrought iron fence and the privacy fence. If there is a height difference in fencing, the height of the privacy fence commencing at the masonry column must be the same height as such masonry column at such point and from such point, the transition in height shall be made in a five foot (5') span. Except as specifically permitted hereby or as otherwise permitted by the ARC, no wood fence, cyclone fence, dog run or other fence shall be permitted on any part of any Lot which has wrought iron fencing, and the only fences permitted on a Lot with wrought Iron fencing are those specifically provided for herein. The purpose of having wrought iron fences is to maintain a visibility corridor to and from each side. Therefore, no fence, trellis or privacy screen of any type shall be placed on or near any wrought iron fence in any way which will obstruct the visibility

through the fence from either side, however, landscaping which is not intended to obstruct the view of the golf course, lake or canals is permitted. Fences may not be painted without the approval of the ARC. Affixing anything to a fence in any manner which is visible to any neighbor or other person within The Resort without the prior written consent of the ARC is prohibited. Fences separating properties shall not extend into any front yard. (See detail illustration for reference only)

#### Golf Course / Lake / Canal



b. Lots 1-26, Block 5. All of Lots 1-26 (inclusive), Block 5 of The Resort on Eagle Mountain Lake must have wrought iron fencing. The wrought iron fencing must be the same type, quality and style approved by the ARC pursuant to Section 5.8(a) above and must be consistent throughout the entire Resort in its appearance and must be painted with an an oil-based, semi-gloss black paint. The fencing along the entire rear property line and forty feet (40') along each side property line (measured from the rear property line and continuing toward the house) must be wrought iron and all of such lots must also have wrought iron fencing between the house and the side property line as illustrated in Section 5.8(a) above. Privacy fences may be constructed only along those portions of each side yard from the point which is forty feet (40') from the rear property line to the point where the side yard fence meets the wrought iron fence which runs from the house to the side yard property line. Unless otherwise approved by the ARC, the privacy fence must be wood stockade, not more than eight feet (8') in height, and must be weather-protected and stained in a color approved by the ARC. A masonry column of a type, style and of a material approved by the ARC must be constructed at each point of transistion between the wrought iron fence and the privacy fence. If there is a height difference in fencing, the height of the privacy fence commencing at the masonry column must be the same height as such masonry column at such point and from such point, the transition in height shall be made in a five foot (5') span. In addition to the masonry column required to be set as

provided for in the preceding sentences, a like masonry column of a type, style and of a material approved by the ARC must be constructed at each lot corner among the wrought iron fencing. Except as specifically permitted hereby or as otherwise permitted by the ARC, no wood fence, cyclone fence, dog run or other fence shall be permitted on any part of any Lot which has wrought iron fencing, and the only fences permitted on a Lot with wrought iron fencing are those specifically provided for herein. The purpose of having wrought iron fences is to maintain a visibility corridor to and from each side. Therefore, no fence, trellis or privacy screen of any type shall be placed on or near any wrought iron fence in any way which will obstruct the visibility through the fence from either side, however, landscaping which is not intended to obstruct the view is permitted. Fences may not be painted without the approval of the ARC. Affixing anything to a fence in any manner which is visible to any neighbor or other person within The Resort without the prior written consent of the ARC is prohibited. Fences separating properties shall not extend into any front yard.

- C. Interior Lots. All lots (other than Lots 1-26 (inclusive), Block 5 of The Resort on Eagle Mountain Lake), which are not adjacent to any part of the golf course, lake or canal may have privacy fences constructed in the rear yards. Unless otherwise approved by the ARC, the privacy fences must be wood stockade of a type, quality, color and style approved by the ARC, must be at least six feet (6') in height but not more than eight feet (8') in height, and must be weather-protected and stained as approved by the ARC. Fences may not be painted without the approval of the ARC. Affixing anything to a fence in any manner which is visible to any neighbor or other person within The Resort without the prior written consent of the ARC is prohibited. Fences separating properties shall not extend into any front yard.
- 5.9 Flag Poles. Permanently installed flag poles must have a metal, metallic, baked or electrostatic precipitated finish. Natural metal colors, black, and white finishes are acceptable. Owners will be cited for improperly maintained flags. Large flags must either be lowered or replaced with small flags during high wind conditions.
- 5.10 Garages and Driveways. Every residence is required to have a garage with a capacity for not less than two automobiles. Garages may not be converted to other uses that would result in less than two parking spaces. Except as otherwise permitted by the ARC, all garages on lots which are adjacent to the golf course, lake or canals must be side entry. Garages on all other lots must be either rear entry or side entry. No straight-in garages are permitted. Carports are not permitted.
- 5.11 Landscaping. Every site on which improvements have been made shall be landscaped according to approved plans and maintained thereafter in a well-kept condition. Landscaping approved by the ARC shall be commenced within 30 days and completed within 90 days after approval. All planted areas shall be provided with an underground irrigation systems adequate to sustain normal growth.
  - a. Groundcover for Lots facing Golf Course, Lake and Canal. Rear yard landscaping design of all lots which are adjacent to the golf course, lake or canal shall not deviate from the Community-Wide Standard of The Resort. Grass is the only groundcover permitted along the lake, golf

course and canal frontages so as to provide continuity of shoreline appearance between properties.

- b. Pre-Approved Trees. Trees with an expansive root system are not allowed in side yards near the privacy wall because the wall is part of the neighboring house and the roots could damage the foundation. Trees to be planted on any lot must be a type, size and variety approved by Declarant. A list of approved trees will be available from the Declarant and no trees, except those which are approved by Declarant in writing shall be permitted.
- 5.12 Maliboxes. All maliboxes erected within The Resort must be in compliance with all requirements of the U.S. Post Office. Additionally, maliboxes on all lots must be constructed of masonry material of the same type as that primarily used on the exterior residence located on such lot. The masonry portion of each mailbox structure facing the street must include a cast-stone plaque with the house number engraved thereon. The cast-stone plaques for all mailboxes must be consistent throughout The Resort. All mailboxes must be located at curbside on the inside radius of the drive approach.
- 5.13 Outdoor Lighting. U.L. approved low-voltage lighting systems are strongly recommended. Transformers must be concealed wherever possible. Cables must either be buried or concealed within the walls of a structure.
- 5.14 Retaining Walls. All retaining walls required to be constructed within The Resort (whether same are side yard, rear yard, sea wall, or otherwise) must consist of a masonry material and color approved by the ARC and once approved, all retaining walls must be uniform throughout the entire Resort. The party making the cut requiring a retaining wall shall be required to construct the retaining wall at its expense. In no event shall railroad ties be permitted for use as retaining walls.
- 5.15 Painting. No paint colors other than those specifically approved by the ARC shall be permitted. Cleaning of brushes, rollers, spray guns, or any other equipment used for painting which results in residue entering the street gutters or sewers of The Resort is prohibited.
- 5.16 Patto Covers. Patio covers and the material from which they are constructed are subject to the prior approval of the ARC. Temporary free-standing sun shelters are permitted. Free-standing sun shelters which are set up or installed for more than five (5) consecutive days or on a continuing regular basis other than holiday weekends are not permitted without the prior approval of the ARC.
- 5.17 Playground Equipment. No playground equipment is permitted on decks or in the front, side or rear yard of any lot which is adjacent to the lake, golf course or canal. Lots which are entirely enclosed with a privacy fence shall be permitted to have playground equipment so long as it does not create a noise nuisance and so long as same is not visible from any part of The Resort outside of the rear yard in which such equipment is placed.
- 5.18 Pools, Swimming pools and pool decks shall meet all the requirements must be approved by the ARC. Pool equipment must be located and screened in an area approved by the ARC so that it will not be visible from neighboring properties, any street, the golf course, lake, or canal. The ARC may additionally require sound baffling around the equipment should it be deemed necessary to dampen sound resulting from equipment operation or vibration. Time clocks to regulate pool equipment shall be set so that no equipment motors, etc. are operating after 10:00 p.m. or before 8:00 a.m. The ARC may require an on-site inspection prior to pouring of footings or guniting. The ARC may require an inspection of the location of forms and to verify setbacks.

- 5.19 Restricted Construction in Flood Hazard Area. No habitable structure may be constructed or maintained within the Flood Hazard Area. The flood hazard area consists of the 100-year flood plain. The "100-year flood plain" is defined as those areas subject to the 100-year flood according to the most recent Federal Insurance Administration Flood Insurance Rate Maps published by the Department of Housing and Urban Development or as otherwise determined by the U.S. Army Corps of Engineers. After approval by the ARC, but at the sole and absolute risk of each Owner, patio decks, swimming pools and/or other approved landscaping and recreational uses may be constructed in the flood hazard area.
- 5.20 Roofing. Roof coverings must have a Class "A" or "B" fire rating and must be of an architectural grade composition with a minimum 300# weight, or of slate, tile, concrete, metal, or any new product approved by the ARC, and all roofs must fit such architectural standards as otherwise required by the ARC. Wood roofs are prohibited. All jacks, vents, dormers, and flashing must be painted to blend in with the roof color. The pitch of each roof must be approved by the ARC.
- 5.21 Setbacks and Helght Limitations. In addition to all setback and height requirements set by any county or other governing entity having jurisdiction over same, the following setbacks and height limitations must be observed:
  - a. Front Yard. Structures may not be closer than forty-three (43') from the front property line.
  - b. Side Yard. Structures and equipment, including dwelling units, garages, swimming pools and walls may not be closer than ten feet (10') from any side property line.
- 5.22 Shoreline Alterations. Prior to construction of any landscape features (i.e., waterfalls, walks, docks, etc.) that interrupt or affect the shoreline, plans shall be submitted for approval to both the Declarant and the ARC. No work shall commence until plans have been approved in writing by both entities. Each Member whose lot abuts the Lake is required to immediately repair any erosion to the shore line abutting his or her lot in accordance with the specifications contained in the Lake Rules and Regulations or as otherwise provided by the ARC and/or Declarant.
- 5.23 Skylights. Skylight framing and flashing must be painted to blend with the roof in a manner and of a color approved by the ARC.
- 5.24 Solar Heating. Unless otherwise approved by the ARC, the use of solar heating and the installation of solar heating equipment is prohibited.
- 5.25 Statues, Fountains & Artwork. No statute, fountain, waterfall, or "artwork" of any kind may be installed or displayed which will be visible from the golf course, lake, canal, street, or neighboring properties without the express written approval of the ARC.
- 5.26 Weed Control. All vacant lots shall be kept in a weed-free condition or completely landscaped, according to plans approved by the ARC.
  - 5.27 Window Guards. No window guards or hars shall be installed on any window.

# SECTION 6 RESTRICTIONS ON CONSTRUCTION

- 6.1 Working Without Approval. Contractors, subcontractors and vendors attempting to do exterior work that has not been approved by the ARC will be denied access until the owner files the appropriate paperwork and receives approval.
- 6.2 Construction Hours. Construction is limited to Monday through Friday 7:00 am. to 5:00 p.m.. No construction is permitted on Sunday or the following holidays: New Year's Day, Memorial Day, July 4th, Labor Day, Thanksgiving and Christmas.
- 6.3 Construction Debris. Trades people and residents are prohibited from sweeping, blowing or washing construction debris, oils, repair residue or any toxic or poisonous material into the street, golf course, gutters and are further prohibited from sweeping, blowing or washing any such materials into the lake or canal or anywhere else which may cause such items to drain, blow or flow into the lake or canal. A plastic tarp or similar material cover must be placed on the street and sidewalk areas whenever dirt, sod, sand, cement or any other materials are used. Whenever possible, the owner's driveway rather than the street should be used for mixing materials.
- 6.4 Cement Work. Any concrete spills on the streets of The Resort must be cleaned immediately to affeviate drainage into the lake or canal or to prevent stoppage within the constructed drainage. It is the owner's responsibility to ensure that contractors and their subcontractors, including redi-mix truck operators, do not allow any mixture containing cement to enter into any drainage in The Resort or into the lake or canal. Cleaning of concrete or cement handling tools or equipment which results in residue entering the street gutters or sewers of The Resort is prohibited. Either of the following procedures are recommended for cleaning redi-mix delivery chutes, mortar mixers or worker's tools:
  - a. Steel Drum For Waste. The contractor shall provide a 55 gallon drum with a securable lid to be used on the job site. Redi-mix truck operators and other workers may then pour all liquid cement waste into the drum. At the end of the work day this drum should be securely closed and removed from The Resort.
  - b. Shallow Hole For Washing Equipment. No concrete redi-mix truck may be washed in the streets. All chutes are to be washed on the building site pad. A shallow hole shall be dug in the ground (approximately 12" deep) to be used for disposal. Workers and redi-mix operators may then wash their equipment into a wheel barrow and the liquid cement waste may be poured into the shallow hole. This will result in the water filtering down through the earth and the solidified residue may be removed the next work day.
- 6.5 Protection of Street and Sidewalk. A plastic tarp or similar protective material must be placed on the driveway, street or sidewalk whenever dirt, rock, sand, cement, mortar or any other material is delivered or mixed for a project. Whenever possible, the owner's driveway must be used for such work.
- 6.6 Construction Hazards. Appropriate barriers are required for all construction
  - 6.7 Security. Owners must provide their own security for their work sites and each

bears the risk of loss for any theft which may occur on the sites.

- 6.8 Hydrant Hoses, Owners are prohibited from using the Association's fire hydrants for any reason.
- 6.9 Utility Lines. Requests for additional phone, fax or cable lines that require a cut to streets or concrete walks must be coordinated with the ARC and the appropriate utility provider.
- 6.10 No Open Fires. Fires are prohibited at all times even in instances where they are protected by trash cans or other containers.
- 6.11 Street Maintenance. Damage to the Association's streets must be repaired in a timely fashion to the street's original condition or better. Accumulation of sand, dirt, etc., due to construction activity must be removed promptly as needed. A final street sweeping must be performed at the conclusion of construction.

# SECTION 7 RULES ENFORCEMENT PROCEDURES

- 7.1 Owner Responsible for Compliance. All persons in The Resort must comply with the Association's Architectural Rules. The Owner shall be responsible for any Architectural violations he permits on his or her tot. The Association reserves the right to exclude any vendor or service person from entry if such person continues in violation.
- 7.2 Complaints Must Be in Writing. Residents may file written complaints with the ARC if they believe any member of the Association has violated The Resort's Architectural Rules. Upon receipt of the complaint, the ARC will inspect the alleged violation and take appropriate action.
- 7.3 Complaints Available for Viewing. Owners shall have the right to view complaints on file with the Association but only if the complaints pertain to the Owner.
- 7.4 Enforcement. Violation of the Architectural Rules can result in enforcement as set out in Article IV of the Declaration and/or one or more of the following, depending on the severity of the violation:
  - a. Monetary Penalties. Subject to the hearing procedures described below violations of Architectural Rules may result to a daily fine against an Owner until such time as the violation is corrected. Such fines shall constitute a special assessment against the Owner and are due within thirty (30) days of the issuance of the ruling. Depending on the sevenity and frequency of the violation, fines may vary from \$20.00 to \$1,000.00 per violation.
  - h. Suspension of Construction. Working in violation of these Architectural Rules can result in immediate suspension of construction and the denial of entry into The Resort of construction workers.
  - Suspension of Privileges. Membership privileges of an Owner and/or resident may be suspended.
  - d. **Publishing of Names.** The names of residents who are in violation of the Architectural Rules may be published to the membership.

- c. Judicial Enforcement. The Association may take legal action for damages and/or injunctive relief.
- f. Recording Notice of Non-Compliance. A "Notice of Non-Compliance" may be recorded against the lot identifying the noncomplying improvement or repairs and setting forth the basis of such non-compliance.
- 7.5 Hearing Procedures. The levying of fines and suspension of privileges shall be subject to the following notice and hearing procedures:
  - a. Notice. Notice shall be given either personally or by prepaid first-class mail to the most recent address as shown in the Association's records. The notice will describe the nature of the violation; the proposed penalty; the date and location of a hearing; the Owner's right to present evidence in his or her defense; and the Owner's right to representation. Such notice shall be sent at least fifteen (15) days before the proposed date of the hearing.
  - h. Hearing. The accused shall be given an opportunity to be heard, either orally or in writing, at a hearing to be held by the Board of Directors who shall hear the charges and evaluate the evidence of the alleged violation. The hearing shall be held in executive session if so requested by the person being disciplined.
  - c. Notice of Decision. After the conclusion of the hearing, the Board shall give notice of its decision by mail, which notice shall specify the Architectural Rule violated and the penalty imposed.
  - d. Correction of Violation. If the violation is corrected prior to the hearing date, the hearing will be discontinued.
- 7.6 Attorneys' Fees. If the Association is required to take legal action to enforce the Architectural Rules against an Owner, that Owner will, be assessed for all attorneys' fees and costs incurred by the Association.

Exhibit "D"

# THE RESORT AT EAGLE MOUNTAIN LAKE PROPERTY OWNERS ASSOCIATION

RULES AND REGULATIONS

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# THE RESORT AT EAGLE MOUNTAIN LAKE RULES AND REGULATIONS

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The residents of The Resort at Eagle Mountain Lake believe our homes and take environment are a very special place to live. It is our responsibility to conduct ourselves in a way that protects and enhances our community. The following Rules and Regulations are not intended to be unduly restrictive but have evolved over time to address issues which had become a problem. Most of the rules are common sense and most residents will naturally follow them even if they had never been written. As provided for in the Declaration, the Declarant has adopted the following Rules and Regulations until such time as they are amended, modified, repealed or limited pursuant the Declaration. These Rules and Regulations are hereby made a part of the Declaration. Any term or provision not otherwise defined herein shall have the same meaning as assigned to it in the Declaration.

# SECTION 1 GENERAL RESTRICTIONS

- 1.1 Antennas and Satellite Dishes. No antenna, satellite dish, wires, cable or telephone lines, or other apparatus for the transmission or reception of television, radio, satellite, or other signals of any kind shall be placed, constructed, maintained or allowed upon any Lot or residence located thereon, without the prior written consent of the Board, unless same is completely contained within the dwelling and is not visible from the Lake, Canal, Golf Course, any street within The Resort, any Common Area, or from any other residence within The Resort. Prior to the installation of any antenna, satellite dish, wires, cable or telephone lines, or other apparatus for the transmission or reception of television, radio, satellite, or other signals of any kind, the owner of the Lot or residence on which such item shall be placed must submit to the ARC an application for approval and consent as to the item and the location for placement of same and the ARC shall have sole discretion as to the item and the location for placement of same. The Declarant and/or the Association shall have the right, but shall not be obligated, to erect or install an aerial, satellite dish, master antenna, cable system, or other apparatus for the transmission of television, radio, satellite, internet, or other signals for the benefit of all or a portion of The Resort, and for a charge to the residents using such service.
- 1.2 Carpet Cleaning Service. Residents are to advise carpet cleaning services that they cannot empty their tanks into the street because the runoff drains into the lake. However, they may empty their tanks onto the owner's lawn.
- 1.3 Clothes Drying. The drying of clothes in public view or in the view of any neighboring property is strictly prohibited. The Owners and occupants of any Lots having a wrought iron fence may not install a an outside clotheslines or other outside clothes drying or airing facility on any part of their Lot. The Owners and occupants of any Lots having a backyard which is screened completely by a wood stockade fence may install an outside clotheslines or other outside clothes drying or airing facility so long as it is not visible from any street, neighboring yard, Golf Course, Lake, Canal or other Common Area.
- 1.4 Commercial Photography. Commercial photography and video taping are not allowed on The Reson at anytime without prior written approval of the Board of Directors.
- 1.5 Electric Bug Lantern. Residents may turn on an electric bug zapper only when they are using their outside patio. The bug lantern must be turned off by 10:00 p.m.

- 1.6 Home Maintenance. Residents are required to keep their property in good condition at all times. Homes are to be painted regularly (in a color approved by the ARC) and homes shall be maintained in good condition.
- 1.7 Landscape Maintenance. Lawns, shrubs, plants, bushes or any other plantings must be trimmed and maintained regularly.
  - a. Walkway Encroachments. No landscaping may be allowed to overhang or otherwise encroach on any sidewalk or other pedestrian walkways.
  - h. Fire Hydrants. Areas around fire hydrants must be free of shruhs, bushes or other plantings so they are fully accessible to firefighters in the event of an emergency.
  - C. Trees. Shall be trimmed to a height of ten (10) feet above any sidewalk at all times. Trees which ore in the rear yards facing the Lake, Canal or Golf Course ore to be trimmed in order to preserve the view and prevent tree limbs and/or branches from hanging into the Lake, Canal or Golf Course.
  - d. Gardening Debris. Gardeners may not sweep, blow or wash grass clippings, garden debris, oils, repair tesidue or any toxic or poisonous material into the street, gutters or anywhere else which may cause such items to drain, blow or flow into the Lake or Canal.
  - c. Decorative Vines. Residents are reminded that the side yard wrought iron fencing that is common to two (2) yards belongs to the owners on both sides of such fence and the purpose of wrought iron fencing is to preserve a view of the Lake, Canal and Golf Course. Planting of decorative vines or other vegetation must have the approval of (i) the owners of the houses on both sides of such fence, and (ii) the ARC. In an event shall decorative vines or other vegetation be planted along or on any fence in any manner which interferes with the view of the Lake, Canal or Golf Course from any street facing a Lot.
  - 1.8 Littering. Littering of any kind is strictly prubihited.
- 1.9 Mailboxes. Only posted mailing material delivered by a U. S. postal carrier may be deposited in mailboxes or mail slots.
- 1.10 Noise. No resident or invitee may make unreasonable noise which disrupts the peace and quiet of other residents. Exterior speakers are not permitted on any home. Musical instruments, radios, televisions, stereos, etc. may NOT be played if it unreasonably disturbs or annoys other residents. Because nuisance noise is largely subjective, the Association cannot involve itself in every dispute which may arise between two or more owners. As a matter of practicality and as a benefit to its membership as a whole, the Board has adopted the following standard for determining when the Association will become involved in such disputes:
  - a. Multiple Neighbors. If the noise is such that it disturbs more than one neighbor, the Association may take appropriate action to abate the nuisance if the affected residents request in writing that action be taken by the Board.

- b. Single Unit. If the noise is such that it only disturbs a single neighbor, then the disturbance is not sufficient to cause intervention by the Association and the two neighbors must resolve their dispute as provided for in Section 13.2 of the Declaration.
- 1.11 Residential Use Only. No residential Lot Owner may use his or her Lot to be used for any purpose other than as a private single-family residence. No residence shall be occupied by more than a single family. For purposes of this restriction, a single family shall be defined as any number of persons related by blood, adoption, or marriage, living with not more than one person who is not so related as a single household unit, or no more than two persons who are not so related living together as a single household unit, and the household employees of either such household unit.
  - Business Purposes. Any business, trade, or similar activity is prohibited except that an Owner or occupant residing in a residence may conduct business activities within the residence so long as: (i) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the residence; (ii) the business activity conforms to all zoning requirements for The Resort at Eagle Mountain Lake; (iii) the business activity does not involve door-to-door solicitation of residents of The Resort at Eagle Mountain Lake; (iv) the business activity does not, in the Board's reasonable judgment, generate a level of vehicular or pedestrian traffic or a number of vehicles being parked in The Resort at Eagle Mountain Lake which is noticeably greater than that which is typical of Lots in which no business activity is being conducted; and (v) the business activity is consistent with the residential character of The Resort at Eagle Mountain Lake and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of The Resort at Eagle Mountain Lake, as may be determined in the sole discretion of the Board. Leasing or selling of a Lot shall not be considered a business or trade within the meaning of this subsection. This subsection shall not apply to any activity conducted by Declarant or a Builder approved by Declarant with respect to its development and sale of The Resort at Eagle Mountain Lake or its use of any Lots which it owns within The Resort at Eagle Mountain Lake, including the operation of a timeshare or similar program by Declarant. The terms "business" and "trade," as used in this provision, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation and construct to the construction of the co without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time, (ii) such activity is intended to or does generate a profit, or (iii) a license is required.
  - b. Commercial Operations. No commercial operations of any kind are permitted.
  - 1,12 Dumping and the Removal of Trash and Debris.
  - a. Dumping and Removal of Brush. No Lot or other area within The Reson on shall be used as a dumping ground for tree branches, brush, grass clippings, trimmings from shrubbery or any other similar matter. No Owner may place tree branches, brush, grass clippings, trimmings from shrubbery or any other similar matter on his Lot more than three (3) days prior to the date on which same shall be

picked up and removed from the Lot and properly discarded.

- b. Dumping and Removal of Rubbish. No Lot or other area within The Resort shall be used as a dumping ground for rubbish or a site for the accumulation of unsightly materials of any kind, including, without limitation, broken or rusty equipment, disassembled or inoperative cars, other vehicles or discarded appliances, furniture, building materials or any other unsightly matter. No Owner may place any rubbish or unsightly materials including, without limitation, broken or rusty equipment, disassembled or inoperative cars, other vehicles or discarded appliances, furniture or building materials on his Lot for any period of time. Any such items must be hauled off the Lot by the Owner or placed outside for pickup no carlier than the actual time such rubbish is picked up and removed from the Lot and properly discarded. Materials incident to construction of improvements may be sinted on Lots during construction so long as construction progresses without undue delay.
- c. Regular Garbage Pickup. Trash, garbage or other waste shall not be kept except in garbage containers approved by the Board and Declarant. Such garbage containers shall only be permitted to be placed in the front yard of any residence on the day(s) such garbage is to be picked up and such container must then be removed from the front yard no later than the evening on the day of such pick up. Other than as provided in the immediately preceding sentence, such garbage containers must be concealed from public view at all times. Materials incident to construction of improvements may be stored on Lots during construction so long as construction progresses without undue delay.

#### 1.13 Signs.

- a. Signs on Common Areas and Public Property. All signs, including, but not limited to open house signs, for sale signs, are prohibited on public property and common areas including, but not limited to parks, parkways, medians, utility poles, and all other public or common area property, provided, however, notwithstanding anything herein to the contrary, a builder, developer, contractor, Declarant or the Association may install signs on Common Areas and public property so long as the quality of such sign, the purpose for such sign, and placement of same is first approved by the Declarant.
- b. Signs on Private Property. No sign of any kind shall be displayed to the public view on any Lot, except one (1) professional security service sign of not more than one square foot, one (1) sign of not more than three square feet advertising the property for rent or sale, political signs (permitted not more than two weeks prior to and one week after any election only), as permitted by the County, or signs used by a builder to advertise property within The Resort during the construction and sales period, each of which shall, in any event, comply with the Design Guidelines, all other design criteria of The Resort at Eagle Mountain Lake, all statues, laws or ordinances governing same. All other signs on any Lot are prohibited. The Board and Declarant or its agents shall have the right to remove any sign, billboard or other advertising structure that does not comply with the above, and in so doing shall not be subject to any liability for trespass or otherwise in connection with such removal.

1.14 Sollciting, Soliciting of any kind is strictly prohibited within The Resort.

#### SECTION 2 SAFETY AND SECURITY

2.1 The Resort is Not Crime-Free. As much as we would like it to be. The Resort is not a secure environment free of crime or safety hazards. The Association's security personnel cannot completely control access to The Resort since it is possible for people to enter The Resort under false pretenses or to enter from the Lake. Furthermore, there is nothing to prevent residents or individuals who legitimately have access to The Resort from committing crimes. As a result. The Resort is not and can never be crime free.

Because the Association can only provide a limited degree of control over access to The Resort and must do so within a limited budget, you should NOT RELY on the Association's personnel to protect you from lass or harm. Because The Resort can never be fully secure, we ask that you provide for your own security by taking common sense safety and security precautions such as: carrying insurance against loss; keeping your house and car doors locked; refusing to open your door to strangers; installing a peep hole in the front door; asking workmen for identification; installing a security system in your house; reporting anyone who looks suspicious, parking your vehicles in the garage, keeping the garage doors closed, padlocking your hoat, etc.

- 2.2 Removal of Vehicle Decals. To limit unauthorized access to The Resort, residents must remove the decals from any car they (i) immediately upon the sale or transfer of such car, and/or (ii) immediately upon such time as a resident no longer resides within The Reson.
- 2.3 Parties. The Owner or resident tenant must be on the premises during the event of a party. If the party or participants of the party disrupts the peace and quiet of the community, the resident will be instructed to stop the disruption or to end the party. If the resident does not cooperate, the resident will be subject to fines and penalties and the Police will be notified.
- 2.4 Playing in the Streets. The streets of The Resort are for vehicular traffic only. Sport activities are not allowed in the streets or common areas at any time. No structures or materials for sports activity are to be placed in the streets.
- 2.5 Graffiti. Defacing signs, graffiti, and vandalism to Association property is strictly prohibited and can result in criminal prosecution in addition to fines, potential civil litigation and loss of privileges.
- 2.6 Curfew. Children under the age of eighteen (18) may not loiter on the streets after 10:00 p.m.
- 2.7 Process Servers. By statute, the Association cannot prevent liceosed process servers from entering The Resort. Furthermore, representatives of governmental agencies may also have the right to enter The Resort. As a result, the Association cannot, nor should it, shield residents from process servers or governmental agencies.
- 2.8 Cooperation With Governmental Agencies. The Resort follows and compiles with the laws enforced by the all applicable authorities and provides full cooperation with all governmental and public agencies.

#### SECTION 3 ENTRY GATE PROCEDURES

- 3.1 Vehicle Decals. To drive through the "entry" at the guardhouse, residents must have current decals evidencing residency in The Resort and such decals must be visible and permanently affixed on the lower right side of the front vehicle window for the guards to see. To receive a decal for your vehicle you must (i) submit a completed resident card, (ii) provide a copy of your vehicle registration, and (iii) be current in the payment of your assessments and charges.
- 3.2 Notice of Guests. All residents are responsible for advising the security guards in advance of any expected guests. This approach permits the guards to clear your guests without delay. If more than five guests are expected, an alphabetical list of guests with the expected date and time of arrival must be delivered to the guardhouse. Residents must give the security guards at least 24 hours advance notice of any party by submitting an alphabetical list of guests.
- 3.3 Notice of Deliveries. Residents must notify the guards in advance whenever they expect a delivery. If the delivery person arrives and the resident has not cleared them and the guard cannot reach the resident at home, the delivery person will be turned away. Note: The guards are prohibited from accepting packages, mail or any item for a resident either for delivery or picking.
- 3.4 Notice of Services & Repairs. Resident must notify the guards in advance of service or repair vendors. Regular services such as housecleaning, gardening, pool maintenance, etc., can be set up in advance by completing the resident card. If the resident does not provide advance clearance, or is not home, the service or repair person will be denied access.
- 3.5 Restricted Hours for Vendors. Resident non-construction services and repairs are permitted Monday through Friday 7:00 a.m. to 6:00 p.m. Saturday services and repairs are limited to interior work plus gardening, pool maintenance and insect extermination from 9:00 a.m. to 5:00 p.m. Residents are urged to schedule gardening, pool maintenance and insect extermination during the week. Residents who perform their own repairs and services are asked to abide by the same work hours and rules. Emergency repairs for air conditioning, heating, broken plumbing, or other emergencies requiring immediate attention, may be scheduled as permitted in Section 6.6 hereof.

#### SECTION 4 VEHICLES AND PARKING

- 4.1 Suspension of Driving Privileges. All streets within The Resort are private and visitors who fail to abide by The Resort's driving and parking rules can be denied entry into The Resort. Residents who fail to abide by The Resort's driving and parking rules can, in addition to being fined, have their driving privileges suspended for up to thirty days per infraetion.
- 4.2 Speed Limit. The speed limit within The Resort is 25 miles per hour. Violations can result in citations by local law enforcement officials in addition to fices by the Association and suspension of driving privileges.
- 4.3 Fire Hydrants. Parking vehicles in front of or within fifteen (15) feet of a fire hydrant is prohibited. Violations can result in towing of the vehicle at the owner's expense, fines, and the suspension of privileges.

- 4.4 Automotive Repairs. No repair and/or maintenance of a vehicle of any kind or of similar equipment shall be conducted on any Lot unless such repair and/or maintenances is conducted entirely within an enclosed garage and completely out of public view.
- 4.5 Prohibited Vehicles. No vehicle of any size which transports inflammatory or explosive cargo may be kept within The Reson at any time.
- 4.6 Vehicles Parked on Lots in Public View. All automobiles parked on any Lot within the view of public shall be in good operating condition, shall have current license plates, inspection stickers and registrations and shall be used as motor vehicles on the streets and highways of the State of Texas.
- 4.7 Vehicle Leaks. Residents or invitees whose vehicles leak oil or other liquids must clean up the street promptly in order to prevent any toxic solution from flowing into the lake. Residents will be required to pay for any cleanup and/or street repair as well as have the vehicle repaired or removed from the street. Failure to repair the vehicle can result in restricting the vehicle from entry to The Resort.
- 4.8 Drivewoys Cleaned. Residents are required to keep driveways free of oil, grease, nist and other vehicle fluids. Residents are required to clean stained driveways with non-toxic materials that do not drain into the street, gutters or lake.
- 4.9 Car Washing. Residents may wash their vehicles with water. However, soaps, detergents and cleaning products of any kind are prohibited since all runoff water is channeled into the lake. Residents must advise any mobile vehicle washing service of this restriction. Furthermore, the service must be advised they may empty their tanks onto the owner's lawn but are prohibited from emptying their tanks into the street since it drains into the lake.
- 4.10 Dumping Into Street Drains Prohibited. The dumping of oils, paints, chemicals, soaps, detergents, shampoos, dirty water or cleaning products of any kind into the street drains are prohibited because it ends up in the lake. Violation of this rule can result in cleanup costs and fines of \$200.00 for the first offense and \$500.00 for each offense thereafter.
- 4.11 Garage and Garage Doors. Residents are prohibited from altering their garages to preclude the two-car parking space requirement. Garage Doors are to remain closed at all times when the garage is not being used by the resident.
- 4.12 Inoperable Vehicles. Vehicles which are inoperable, unlicensed, or have expired registration tags must be parked completely inside the resident's enclosed garage.
- 4.13 Motorcycles, Motor Scooters and Mopeds. Residents who own these types of vehicles are permitted to operate them on the Resort's streets for the sole purpose of transportation to and from home. No cruising is allowed. Non-residents are not permitted to bring these vehicles into The Resort and must leave them parked at the security guardhouse.
- 4.14 Parking. Every home on The Resort has at least a two-vehicle garage, plus room for two vehicles in the driveway. Residents are strongly encouraged to park their vehicles in their garage or driveway. Parking on the streets shall be for temporary purposes only, as set out in Section 4.17 below.
  - a. Blacking Sidewalks. Vehicles are not to block sidewalks or pedestrian trails.

- b. Blocking Driveways. No driveway may be blocked except by permission of the resident.
- c. Boats, Traiters, Commercial Vehicles and Truck Campers. No boat, trailer, commercial vehicle, truck or other vehicle in excess of one (1) ton (as characterized by the manufacturer and not by weight), vehicle with painted advertisement, jet skis or other water vehicles, aircraft, truck campers, unattached pick-up camper or similar vehicle or equipment shall be parked overnight or stored in the driveway or on any part of the yard of any Lot or parked on any street with The Resort, and all such vehicles must be parked in the garage and not visible from the streets, lake, golf course, canals, or neighboring properties, or same must be stored outside of The Resort. Notwithstanding the foregoing, any vehicles which are used by builders, developers and contractors during the construction of improvements within The Resort shall be permitted and moving vans used only by movers during the process of moving into and out of The Resort shall be permitted.
- d. Limousines. Limousines are not allowed to park over night on the streets. They must be parked in the garage or in the driveway.
- e. Motorhomes. Overnight parking of motor homes will be permitted for a period not to exceed 48 hours for the purpose of loading and unloading. The Resort Security will issue a temporary permit which must be displayed in the driver's window. Motor homes owned or rented by guests may not park overnight on The Resort's streets or on the homeowner's driveway or yard.
- 4.15 Parking for Parties. The Resort has limited parking. Residents are encouraged to have guests carpool if at all possible. A gathering that will result in more than ten cars must be coordinated with the security guards in advance. The Resort reserves the right to refuse entry of vehicles if the potential for a hazardous situation may be caused by the additional traffic being allowed on The Resort.
- 4.16 Vehicles with Signs. Vehicles with signage of any kind must be parked in the Owner's garage.
- 4.17 Parking on Streets. Parking on streets within The Resort shall be for temporary purposes only and shall not be permitted for the regular and on-going overnight or daily parking of vehicles or for the storage of vehicles. If you must park in the street, as a courtesy, please park in front of your residence.
- 4.18 Parking Violations. Any vehicle parked or stored in violation of this section or parked or stored in violation of any other parking rules promulgated by the Association may be towed by the Association retrievable at the owner's expense.

#### SECTION 5 PET RULES

5.1 Types of Pets. No animals or livestock shall be raised, bred or kept on any Lot except that dogs, cats or other household pets may be kept for the purpose of providing companionship for the private family. Animals are not to be raised, bred or kept for commercial purposes or for food. It is the purpose of these provisions to restrict the use of the Lots so that no

person shall quarter on the premises cows, horses, hogs, guinea fowls, ducks, chickens, turkeys, skunks or any other animals that may interfere with the quietude, health or safety of the community.

- 5.2 Number of Pets. No more than three (3) household pets will be permitted on each Lot. Pets must be restrained or confined by their Owner to the hack yard of the applicable Lot or within the residence erected thereon.
- 5.3 Licenses. All dog owners are required to register their pets with the Association and obtain appropriate licenses from the County. Dogs must wear identification tags at all times. Residents must include the names and description of all pets on their resident cards filed with the guardhouse.
- 5.4 Feces Clean Up. It is the Owner's responsibility to keep the front of their Lot clean and free of pet feces. If a pet deposits its feces in the yards of others or on any street, Common Area, Golf Course, or any other land within The Resort (excluding the back yard or side yard of the residence to which such pet belongs), it is the responsibility of the owner of such pet to pick up after his or her pet and properly dispose of all feces. Residents must carry a bag or peoper scooper to pick up any feces deposited by their pets on the common or private property, streets or sidewalks on The Resort. At night residents must bring a flashlight along in order to pick up their pets' feces in the dark. Failure to comply with these laws can result in a court appearance, fine and removal of your pet.
- 5.5 Leash Law. Residents are required to keep their dogs on a leash whenever they are outside the residence or outside of the enclosed back yard. Pets which are not so restrained or confined by their Owner, or which, in the sole discretion of the Board endanger the health or threaten the safety of other owners within The Reson, shall be removed from The Reson by the owner upon request by the Board. If the owner fails to honor such request, the pet may be removed by the Department of Animal Control.
- 5.6 Barking and Other Animal Noises. No dog shall be permitted to bark, howl, or make other loud noises for such a time as to cause a disturbance to persons in the Association. No other pet (such as birds, cats, etc.) shall be permitted to screech or make other loud noises for such time as to cause a disturbance to persons in the Association. Written complaints by two or more neighbors or by a security guard can result in a fine. Three or more such violations can result in (i) removal of the animal by the Department of Animal Control, and/or (ii) legal action.
- 5.7 Dangerous Animals. No Resident shall be permitted to have or keep an animal on the premises which the Board deems, in its sole discretion, to be dangerous or a threat to the heulth or safety of any person. Any dog that attacks any person on The Resort or exhibits aggressive or violent behavior may be ordered to be removed from The Resort.
- 5.8 Animal Structures. No structure for the care, housing or confinement of any animal may be visible from the street, lake or neighboring property.
- 5.9 Mobile Dog Grooming Vans. Residents are to advise their dog grooming service that they cannot empty their wash water into the street since it would drain into the lake. Biodegradable soap, detergent, shampoo or any other products are prohibited. Wash water can be drained onto the homeowner's lawn.

# SECTION 6 CONSTRUCTION AND REMODELING

- the exterior of any home or lot requires prior approval by the The Resort ARC. Exterior modifications include painting, windows, doors, roofs, remodeling, repairs, major landscaping, tree planting or removal, concrete work or any other type of exterior work. In advance of any construction, repair or upgrading, residents must obtain ARC approval. Copies of the The Resort Construction Work Rules, the Architectural Committee Rules and the Architectural Application are available from the Association. Construction that requires a permit from any governmental authority or agency must be approved by the ARC prior to the submission of an application to the governing authority issuing a permit. The Resort Architectural Rules are in addition to all governmental codes and requirements.
- 6.2 Working Without Approval. Vendors attempting to do exterior work that has not been approved by the ARC will be denied access until the owner files the appropriate paperwork and receives approval.
- 6.3 Non-Vendor Work. Homeowners performing their own work are asked to abide by the same rules and work hours.
- 6.4 Construction Schedule. Approved construction is limited to Monday through Friday 7:00 a.m. to 5:00 p.m. No construction is permitted on Sunday or the following holidays: New Year's Day, Memorial Day, July 4th, Labor Day, Thanksgiving and Christmas.
- 6.5 Non-Construction Vendor Services. Vendors are permitted on The Resort to perform services Monday through Friday 7:00 a.m. to 6:00 p.m. and Saturday 9:00 a.m. to 5:00 p.m. The following activities may be permitted on Saturday provided the work is indoors and the noise does not disrupt the peace and quiet of the neighbors: carpet and other flooring; interior wall covering; interior decorating; interior painting; appliance repair; interior cabinet and carpentry work; and plumbing & electrical work.
- 6.6 Emergency Repairs. Notify the guards when an emergency repair such as plumbing or utilities are required during off hours or on Suoday. Unusual requests for emergency repairs will be evaluated and approved by the The Resort Board.
- 6.7 Construction Debris. Trades people and residents are prohibited from sweeping, blowing or washing construction debris, oils, repair residue or any toxic or poisonous material into the street, gutters or anywhere else which may cause such items to drain, blow or flow into the lake. A plastic tarp or similar material cover must be placed on the street and sidewalk areas whenever dirt, sod, sand, cement or any other materials are used. Whenever possible, the owner's driveway rather than the street should be used for mixing materials.
- 6.8 Oversized Trash Bin. Residents who require oversize trash bins for construction or major clean ups are required to place the bins in their driveway. If the bin cannot be parked in the driveway, wood protection must be inserted between the street and the bin in order to prevent damage to the street. The streets within The Resort are private streets paid for and maintained by our Association. Any damage to the streets or sidewalks will be billed to the homeowner to cover the cost of repairs.
  - 6.9 Contractor Signs. Contractors may display stake signs not exceeding three

square feet in size during construction, remodeling or major repair (roof, landscaping, painting, concrete, etc.). Signs must be removed upon completion of the job.

6.10 Utility Lines. Requests for additional phone, fax or cable lines that require a cut to sircets or concrete walks must first be approved by and coordinated with the ARC.

### SECTION 7 SALES AND LEASING

- 7.1 Real Estate Agents & Open Houses. Real Estate agents must possess a current and valid license issued by the Texas Real Estate Commission. Agents wishing to hold an open house may post two flags on the street side and two flags on the waterside. Flags must be removed after the open house each day. Directional signs on other property or common areas are prohibited. Real Estate agents who show property must accompany prospective clients onto and off The Resort. Agents are required to accompany their clients to any house being shown. When a prospective client comes to see an open house without an appointment, the security officer on duty will refer the client to the showing agents or "for sale by owner" residents on a rotating basis without favoritism. Agents who fail to comply with the rules will be excluded from the rotation list. Real Estate agents, brokers or sales persons are to advise prospective huyers that The Resort is a community governed by CC&R's and Rules & Regulations.
- 7.2 Homes for Sale by Owner. Except for the licensing requirement, owners who market their own homes must also comply with these rules.
- 7.3 Real Estate Signs. Real estate signs may not exceed three square feet in size and are limited to stake signs only (no colonial signs) and are limited to one sign on the street side and one on the lake side of the property. Real Estate signs must be removed upon completion of the sale.
- 7.4 Tenants. Homeowners who rent or lease their residence are required to execute a written lease agreement, signed by the tenant and returned to the Association prior to the tenant's possession of the residence. The lease shall contain, at a minimum, the following terms:
  - a. Term of Lease. Initial term of the lease shall be at least one (1) year.
  - b. Entire Residence. The property leased includes the entire residence.
  - c. Abide by Rules. The Owner must make available to the Tenant copies of the CC&R's, Architectural Rules, and the Rules and Regulations, and all amendments thereto. Tenant agrees to abide by The Resort's CC&R's, Architectural Rules, and Rules and Regulations and Tenant must acknowledge that failure to do so constitutes a default under the lease. Tenants must also acknowledge receipt of same.
  - d. No Assignments or Subleases. There shall be no right of assignment or sublease of the Residence.
  - e. Renter's Insurance. Tonant shall carry "renters insurance."

# SECTION 8 RESTRICTED USES, RESTRICTED ACTIVITIES AND PROHIBITED CONDITIONS

- 8.1 Temporary Structures and Mobile Homes. No temporary dwelling, workshop, trailer, tent, canopy, carport, shack, barn, out-building, mobile home, playhouses, playground equipment, dog houses, greenhouses, gazebos and buildings for storage of lawn maintenance equipment, or any structure or improvement of a temporary character shall be permitted on any Lot without the prior written consent of the Declarant and the ARC. No building material of any kind or character shall be placed or stored upon any Lot or other property until the Owner thereof is ready to commence construction of improvements, and then such material shall be placed within the property lines of the Lot upon which the improvements are to be erected. Notwithstanding the foregoing, a builder or contractor may have temporary improvements such as a construction trailer on a given Lot during the construction period, but only as permitted by the Declarant.
- 8.2 Fences. The only fences permitted within The Resort are those fences as provided for in the Design Guidelines. All fencing must be maintained by the Owner(s) of the Lots on which such fence borders.
  - 8.3 Air Conditioning Units and Similar Equipment.
  - a. Air Conditioning Units. No window air conditioning unit or evaporative cooler may be installed in any residence. No air-conditioning apparatus shall be installed on the ground in front of a residence or on the side of the residence in view of any public street. All air-conditioning equipment must be installed in the rear yard or on the side yard completely screened from the street or streets fronting the Lot on which it is place.
  - h. Energy Conservation Equipment. No solar energy collector panels or attendant hardware or other energy conservation equipment shall be constructed or installed in any residence unless it is an integral and harmonious part of the architectural design of a structure, as determined in the sole discretion of the ARC. No windmills, wind generators, or other apparatus for generating power from the wind shall be erected or installed on any Lot without first obtaining the express written consent of the Declarant and the Board.
  - 8.4 Garage Sales, Garage sales are prohibited within The Resort.
- 8.5 Pools. All pools, jacuzzis, whirlpools, spas, ponds, fountain pools, and similar pools must have the prior written consent of the ARC. No above-ground swimming pools shall be erected, constructed or installed on any Lot. Jacuzzis, whirlpools, or spas which are approved in writing by the Board and Declarant and ARC shall not be considered an above-ground pool.
- 8.6 Removal of Trees. No trees within the Resort being ten inches (10") in caliper or greater (except for those which are diseased or dead or create a safety hazard) shall be removed except upon written consent from the Board, Declarant and/or the committee having jurisdiction of this matter. In the event of an intentional or unintentional violation of this provision, the violator may be required by the Board, Declarant or the committee having jurisdiction over this matter to replace the removed tree with one or more comparable trees of such size and number and in such locations as such Board, Declarant and/or committee may determine necessary, in its sole

discretion, to mitigate the damage.

- 8.7 Unlawful Activities. No Owner shall perform, fail to perform or permit anything to be done or not done on his Lot which would violate any laws, statutes, ordinances or regulations of any kind or character.
- 8.8 Drilling. No oil drilling, oil development operation, oil refining, quarrying or mining operations of any kind shall be permitted in, on or within The Resort, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any part of The Resort. No derrick or other structure designed for using in quarrying or boring for oil, natural gas or other minerals shall be erected, maintained or permitted within The Resort.
- 8.9 Prohibitions. The following activities and/or conditions are prohibited within The Resort:
  - a. Any activity which emits foul or obnexious odors outside the Lot or creates noise of other conditions which tend to disturb the peace or threaten the safety of the occupants of other Lots.
  - h. Any activity which violates local, state or federal laws or regulations; however, the Board shall have no obligation to take enforcement action in the event of a violation.
  - Pursuit of hobbies or other activities which tend to cause an unclean, unhealthy or untidy condition to exist outside of enclosed structures on the Lot.
  - d. Any noxious or offensive activity which in the reasonable determination of the Board tends to cause embarrassment, discomfort, annoyance, or nulsance to persons using the Commun Area or to the occupants of other Lois.
  - Burning of trash, leaves, dehris or other materials.
  - Use or discharge uf firecrackers and other fireworks (except as may be organized and professionally displayed by the management of the Resort).
  - g. Dumping grass clippings, leaves or other debris, petroleum products, fertilizers, or other potentially hazardous or toxic substances in any drainage ditch, stream, pond, or lake, or elsewhere within The Resort, except that fertilizers may be applied to landscaping on Lots provided care is taken to minimize runoff, and Declarant and Builders may dump and bury rocks and trees removed from a building site on such building site.
  - h. Obstruction or rechanneling drainage flows after location and installation of drainage swales, storm sewers, or storm drains, except that Declarant and the Association shall have such right; provided, the exercise of such right shall not materially diminish the value of or unreasonably interfere with the use of any Lot without the Owner's consent.
  - Subdivision of a Lot into two or more Lots, or, unless approved by Declarant, changing the boundary lines of any Lot after a subdivision plat including such Lot has been approved and Recorded, except that Declarant shall be permitted to subdivide or replat the Lots which it owns.

- j. Declarant, its successors and assigns, shall be permitted and shall have the exclusive right and easement to draw water from lakes and canals within The Resort for purposes of Irrigation and such other purposes as Declarant shall deem desirable. The Declarant and the Association shall not be responsible for any loss, damage, or Injury to any person or property arising out of the authorized or unauthorized use of lakes, canals, or other bodies of water within or adjacent to The Resort.
- k. Use nf any Lot for operation of a timesharing, fraction-sharing, or similar program whereby the right the exclusive use of the Lot rotates among participants in the program on a fixed or floating time schedule over a period of years, except that Declarant and Its assigns may operate such a program with respect to condominiums and/or townhomes which it may own within The Resort.
- Discharge of firearms; provided, the Board shall have no obligation to take action to prevent or stop such discharge.
- of fuel may be stored on each Lot for emergency purposes and for operation of lawn mowers and similar tools or equipment, and the Association shall be permitted to store fuel for operation of maintenance vehicles, generators, and similar equipment. This provision shall not apply to any underground fuel tank used in connection with the marina or any of the common areas.
- n. Capturing, trapping or killing of wildlife within The Resort, except in clicumstances posing a threat to safety or a nuisance in The Resort.
- O. Any activities which result in unreasonable levels of sound or light pollution; provided, this restriction shall not restrict or prevent Declarant or the Association from operating recreational facilities or other amenities on the Common Areas in a manner consistent with their intended use, and nor shall it prevent the maintenance and/ur operation of the Golf Course and/or marina.
- p. Cunversion of any carport or garage to finished space for use as an apartment or other integral part of the living area on any Lot.
- q. Operation of mntor vehicles on sidewalks, pathways or tralla maintained by the Association, except that golf carts may be operated on cart paths intended for such purposes.
- Any construction, erection, placement, or modification of any thing, permanently or temporarily, on the exterior portion of any improvement on a lot or elsewhere on a lot, whether the lot is improved or unimproved, without the prior written consent of the ARC including, without limitation, signs, basketball hoops, swing sets and similar sports and play equipment, woodpiles, docks, piers and similar structures, and hedges, walls, dog runs, animal pens, or fences of any kind.
- s. Plants, animals, devices or other things of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of The Resort.

t. Structures, equipment or other items on the exterior portions of a Lot which have become rusty, dilapidated or otherwise fallen into disrepair.

### SECTION 9 RULES ENFORCEMENT PROCEDURES

- 9.1 Responsibility for Rules & Regulation Violations. All persons in The Resort must comply with the Rules & Regulations of The Resort. The responsibility for compliance with all rules rests primarily with the property owner although the owner's relatives, tenants, guests, invitees, vendors or service personnel may be in violation. The Association reserves the right to exclude any vendor or service person from entry in The Resort if such person continues in violation.
- 9.2 Complaints. Residents may file written complaints with the Board for any violation of the Bylaws, CC&R's or Rules and Regulations, by completing a complaint form. Forms are available from the Association. Complaint forms must be signed by the person lodging the complaint.
- 9.3 Complaints Available for Viewing. Residents shall have the night to view written complaints on file with the Association if the complaints pertain to the person ar their property.
- 9.4 Penalties. Violation of the Association's Bylaws, CC&R's, or Rules and Regulations can result in written warnings, fines, suspension of privileges, and/or logal action depending on the severity of the violation. Following is a description of the actions which may be taken.
  - Annetary Penalties. Subject to the hearing procedures described in these Rules, violations by an Owner or the Owner's family, tenants, guests, agents, employees, licensees, servants, or invitees may result in a fine being levied against the Owner. Such fines shall constitute a special assessment against the Owner and are due within thirty (30) days of the issuance of the ruling. Depending on the severity and frequency of the violation, fines will be levied as set from time to time by the Association and/or the Board.
  - b. Suspension of Privileges. Membership privileges of an Owner and/or resident may be suspended. The suspension of privileges shall include but not be limited to the fallowing:
    - i. Street Parking Privileges. Resident will not be able to park on the Association's streets for a fixed period of time. The resident's cars must be parked in the garage, the driveway or, if there is no room, off site.
    - ii. Entry Gate Privileges. Residents will be "red carded" at the gate which means all guests, invitees, agents, employees and servants will be turned away from the gate and told to call the resident from a pay phone so the resident can meet the guest at the gate and escort the guest into The Resort.
    - iii. Vehicle Decals. No new vehicle decals will be issued to the resident or his or her family members until the cause of the suspension has been cured.

- c. Publish Names. The names of Owners who are in violation of the CC&R's and/or these Rules and Regulations may be published to the membership.
- d. Judicial Enforcement. The Association may take legal action for damages and/or injunctive relief if the Association is required to take such action to enforce the Rules, it may be entitled to reasonable attorneys' fees plus costs.
- 9.5 Hearing Procedures. The levying of fines and suspension of privileges shall be subject to the following notice and hearing procedures:
  - a. Notice. Notice shall be given either personally or by prepaid first to the most recent address as shown in the Association's records. The notice will describe the nature of the violation; the proposed penalty; the date and location of a hearing; the Owner's right to present evidence in his or ber defense; and the Owner's right to representation. Such notice shall be sent at least fifteen (15) days before the proposed date of the hearing.
  - b. Hearing. The accused shall be given an opportunity to be heard, either orally or in writing, at a hearing to be held by the Board of Directors or by a panel of at least three (3) persons appointed by the Board who shall hear the charges and evaluate the evidence of the alleged violation. The hearing shall be held in executive session if so requested by the person being disciplined.
  - c. Notice of Decision. Within thirty (30) days after the conclusion of the hearing, the Board shall give notice of its decision by mail, which notice shall specify the rule violated and the penalty imposed.
  - d. Correction of Violation. In the event the violation is corrected prior to the hearing date, the hearing body may, if appropriate, discontinue the proceedings.

# SECTION 10 ASSESSMENT COLLECTION POLICIES

Timely payment of regular and special assessments is of critical importance to The Resort Property Owners Association ("Association"). Members' failure to pay quarterly assessments when due creates a cash-flow problem for the Association and causes those owners who make timely payment to bear a disproportionate share of the community's financial obligations. Therefore, the Board of Directors has enacted the following policies and procedures concerning collection of delinquent assessment accounts:

- 10.1 Due Date for Regular Assessments. All regular assessments shall be due and payable on the first day of each calendar quarter, i.e., January 1, April 1, July 1, and October 1 each calendar year.
- 10.2 Due Date for Special Assessments. Special assessments shall be due and payable on the due date specified by the Board in the notice imposing the assessment. In no ovent shall a special assessment be due and payable earlier than 30 days after the special assessment is duly imposed.

- 10.3 Delinquencies. Regular and special assessments shall be delinquent if not paid within thirty (30) days after they become due.
  - Late Charge. A one-time late charge of 10% of the delinquent assessment shall be imposed on each delinquent assessment on the day it becomes delinquent.
  - b. Interest. Interest at an annual percentage rate of 12% shall be imposed on all sums delinquent for more than 30 days (calculated from the date of delinquency through the date of payment).
- 10.4 Actions to Collect Delinquencies. Once an assessment becomes delinquent, the Association shall have the right, but shall not be obligated, to take any or all of the following actions to collect past due amounts.
  - a. Liens. If an assessment payment is delinquent for more than sixty (60) days, the Association shall have the right to cause to be recorded a "Notice of Delinquent Assessment" with the County Recorder's Office detailing all sums that are then delinquent owner's property. Before the Association records an assessment lien, it will notify the owner of the unit by regular and certified mail of the Association's fees, penalty procedures and this collection policy along with an itemized statement of all amounts owing. A copy of the lien will be mailed to the owner by regular and certified mail within ten (10) days of recordation and foreclosure procedures may commence as provided for by law.
  - b. Publish Names and Suspend Privileges. In addition to the foregoing remedies, the Association may publish the names of delinquent owners and/or suspend their voting rights and common area privileges. The suspension of privileges includes anyone living in the unit such as family or tenants. Delinquent owners will be given notice and an opportunity to be heard before voting rights and privileges are suspended.
  - c. Legal Action. If an assessment payment is delinquent more than sixty (60) days, the Association may also cause an action at law to be brought against the owner.
- 10.5 Crediting of Payments. Payments for delinquencies shall be applied first to collection costs, then to late charges, then to delinquent interest, and finally to the principal amount of the dues.
- 10.6 Offsetting Payments. Owners are not allowed to offset their assessments with damages they believe the Association has caused them or for work they believe has not been done by the Association. If the owner has a dispute with the Association, he or she must first pay all monies owed in full and then follow the alternative dispute resolution provided for in the Declaration.
- 10.7 Disputes Involving Assessment Collection. If an owner disputes any of the Association's assessments or charges, he or she has the right to have the dispute resolved through Alternative Dispute Resolution ("ADR") as provided for in Section 13.2 of the Declaration. However, the right to ADR exists only if the owner:
  - a. Pays in Full. Pays in full all monies owed late charges, interest and collection

costs (which may include but are not limited to attorneys fees, recordation of the lien, preparation of the lien instrument, and court costs);

- b. Pays Under Protest. Pays Under Protest indicates the payment is made "under protest;" and
- c. Pays Within Thirty Days. Makes the payment in full within thirty (30) days from the recording of the notice of delinquent assessment.

Once the owner has complied with the above, the Association and the owner may enter into ADR. If the owner prevails in ADR, the owner may receive reasonable interest on the amount paid under protest. Owners' rights to use ADR for disputed assessments is limited to once in a single calendar year, and three times within five (5) calendar years.

10.8 Attorneys' Fees. If a lawsuit or foreclosure procedure is initiated by the Association to recover assessments, the Association is entitled to recover not only the amount in default but also reasonable attorneys' fees plus costs of collection, including title company charges.

D199192720 THE BROWN LAW FIRM LLP 2425 E SOUTHLAKE BLVD 150 SOUTHLAKE TX 76092

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