

100-0000-004

ORIGINAL

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

BY
[Signature]
1999 JUL 30 P 2:31
SARASOTA FLORIDA
TEXAS

1100 • 0000 • 01000111

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 Documents 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 Texas 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 amended from time to time.

2.9. "Class "A" Members": All Owners except the Class "B" Member, if any.

400-0000-0000

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

1100 • 0800 • 2100

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 Half 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 or expenses in excess of those budgeted, 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, easements, 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 or 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

100-0000-0001

which amend, cancel, or otherwise modify Use Restrictions/Rules and Regulations then in effect. Such action shall require the approval of the Class "B" Member, 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) **Displays.** 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

PLANNING • 0030 • 0000

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 11.1.

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.

(e) 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) Abriding 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, hinder, 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 hereunder 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) Design Guidelines. 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

CHAS. O. O'CONNOR, Esq.

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 Reviewing 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,

1110-0000-0111

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 Resort; they do not create any duty to any Person. Review and approval of any application pursuant to this Article are made on the basis 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 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

WFO - 0600 - 0100

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 insurance 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) Disputes. 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.

PHOTO COPY

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 cast with respect to any such Lot.

(b) Class "B". The sole 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

1988 • 0000 • 0111

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 tangible and intangible 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 Exhibit "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 Common 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

0140-0000-6262614

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 Resort.

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 bodily 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

AMONG 0000 0000

(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 thereof 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 debris 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).

AMSD - 0000 - 0000

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 activities at The Resort designed to enhance the security of The Resort. In any event, neither the Association, Declarant, nor any Builder is an insurer or guarantor 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, Declarant, and Builders make no representation or warranty 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 all 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 Resort 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 limited 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

injury, property damage, 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 maturation of trees 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 Parties") 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 Parties. **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: (i) 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, lack 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.**

6730-0600-00000000

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

(b) Declarant's Obligation To Fund Budget Deficits. 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 lien against each Lot under Section 8.7. Declarant's obligations hereunder may be satisfied in the form of cash 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 create 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 failure 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

4120129 • 0000 • 0010

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 covenants 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,

10.3.0000.0000

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 Resort 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 to 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

CWO • 0000 • 00000000

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 Board's right to:
 - (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 forth in this Declaration;
 - (iv) impose reasonable membership 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

(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 property.

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. Easements for Lake or Detention Pond Maintenance.

Declarant reserves for itself, the Association, and their successors, assigns, and designees, the nonexclusive right and easement, 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 itself, the Association, and their successors, 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 rainfall or other natural occurrences.

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

AMENDING • 0000 • 0000 • 0000

elevations within the immediate area, the water level of lakes, creeks, and streams will rise and fall. Declarant has no control over such elevations. Therefore, each Owner releases Declarant 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 have 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 and 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 Article XII in a good faith effort to resolve such Claim.

(b) 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 duties 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 by 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 between 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 by an Owner to challenge the legitimacy or enforceability of, but 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;

(ii) the legal basis of the Claim (i.e., the specific authority out of which the Claim arises);

(iii) the Claimant's proposed resolution or remedy; and

(iv) the Claimant's desire to meet with the Respondent to discuss in good faith ways to resolve the Claim.

(b) Negotiation. 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 not 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

11/10/00 • 00:00 • 01:00

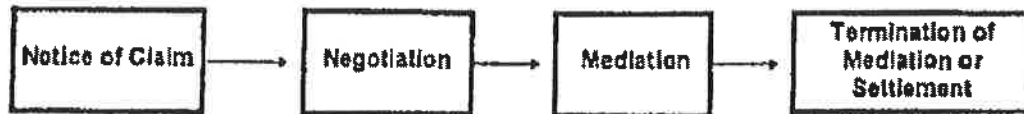
Claim) or to an independent agency providing dispute resolution services in the Dallas/Fort Worth, Texas area.

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) on 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

10-10-00-0000-0000

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 Mortgage 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.

040-0000-010014

Notwithstanding anything 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:

- (I) appoint all members of the Board of Directors (including itself);
- (II) 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 any 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 shall prevail.

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 Article 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 clause.

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 assignee of such right or privilege).

If an Owner consents to any amendment 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

150-0600-66264

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 such exhibit shall be governed by this Article XVII.

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

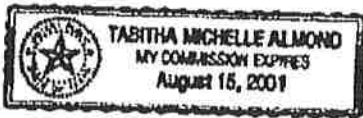
The Resort at Eagle Mountain Lake, L.P., a Texas limited partnership

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

By: Mehrdad Moayed
Mehrdad Moayed, President

STATE OF TEXAS:
COUNTY OF Dallas :

This instrument was acknowledged before me, the undersigned authority, on this 29 day of July, 1999, by Mehrdad Moayed, 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 M. Almond
Notary Public, State of Texas

My Commission Expires: 8-15-2001

After recording, please return to:

THE BROWN LAW FIRM
ATTORNEYS AND COUNSELORS AT LAW
8425 EAST SOUTHLAKE BLVD., SUITE 100
SOUTHLAKE, TEXAS 75092

REC-0000-000000

EXHIBIT "A"

**Legal Description of Real Property
to be Initially Submitted**

THOMAS ROBINSON SURVEY

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 brass cap marked "NWJW 60" for a reentrant corner of said 322-81/100 acres tract and by deed call the northwst corner of the J. Wilcox Survey, Abstract No. 1722;

THENCE South no degrees 12 minutes 22 seconds East, along an east line of said 322-81/100 acres tract, 1198-23/100 feet to a 2 inch pipe with brass 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 brass cap marked "TR-2" bears north no degrees 02 minutes 51 seconds west 90 feet;

THENCE North no degree 02 minutes 51 seconds West, along a west line of said 322-81/100 acres tract, at 90 feet pass said 2 inch pipe with brass cap, in all 141-16/100 feet 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 seconds East 324-23/100 feet;
North 29 degreea 59 minutes 21 seconds West 218-07/100 feet;
North 85 dsgress 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 corner in a north line of said 322-81/100
acres tract;

THENCE South 79 degrees 02 minutes 26 seconds East, along a line of said 322-81/100 acres tract, at 251-2/10 feet a 5/8 inch iron bears south 10 degrees 57 minutes 34 seconds 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 West, at 571-90/100 feet a 5/8 inch iron bears north 81 degrees 40 minutes 22 seconds east 0-1/10 of a foot, in all 580-21/100 feet to a

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

inch iron for resstrant 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;

THENCE 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 90-73/100 feet;
North 41 degrees 15 minutes 56 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 82 degrees 24 minutes 17 seconds East 74-02/100 feet;
North 61 degrees 25 minutes 22 seconds East 56-28/100 feet;
North 40 degrees 58 minutes 09 seconds East 46-15/100 feet to a spike in asphalt for the southeast corner of said Tract 3 and for the northeast corner of said 322-81/100 acres tract from which a 2 inch pipe with brass cap marked "DMD3" bears south 86 degrees 40 minutes West 30 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, along the west line of said 1 acre tract, 277-90/100 feet to a 5/8 inch iron for the southwest corner of said 1 acre tract;

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

Exhibit "A" - Page 3

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 Deed 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 Eagle Mountain Lake and the Northeast and beginning corner of the tract being described;

THENCE along said elevation 649 feet contour for the boundary of lake with its 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 minutes West 60 feet;

South 66 degrees-30 minutes West 30 feet;

South 6 degrees-30 minutes West 60 feet;

South 31 degrees-45 minutes East 50 feet;

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

South 29 degrees East 40 feet;

South 13 degrees-45 minutes East 150 feet; and

South 28 degrees East 120 feet to a southerly line of said Gravel Company tract and South line of said Tract I;

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

THENCE North 8 degrees-19 minutes West, along a Westarly line of

Exhibit "A" - Page 4

740-0000-0000

said Gravel Company tract and East line of said Tract I, a distance of 571-90/100 feet to the PLACE OF BEGINNING and containing 1-64/100 acres, more or less.

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 part of Tarrant County, Texas; and embracing a portion of the tract described in the deed to Tarrant County Water Control and Improvement District No. 1 (hereinafter called Improvement District) recorded in Volume 1083, 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 1083, Page 634 of said Deed Records;

BEGINNING at a 2 inch pipe for the Northwest corner of the tract described in the deed to Herston Gravel Company, Inc. recorded in Volume 8133, Page 24 of the said Deed Records the common line of said Flores and Robinson Surveys;

THENCE south 89 degrees-28 minutes East, along the North line of the said Gravel Company tract for the said survey line, 503-66/100 feet to elevation 649 feet above mean sea level for the boundary of Eagle Mountain Lake;

THENCE along said elevation 649 feet contour for the said boundary of lake with its meanders;

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

North 12 degrees West, 35 feet;

North 81 degrees West, 33 feet;

North 68 degrees West, 80 feet;

North 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 feet;

North 66 degrees West, 45 feet;

South 81 degrees West, 33 feet;

South 19 degrees West, 89 feet;

South 45 degrees West, 50 feet;

South 4 degrees West, 85 feet;

REC-0000-0000

- South 18 degrees West, .73 feet;
- South 35 degrees West, 164 feet;
- South 10 degrees East, 262 feet;
- South 19 degrees West, 90 feet;
- South 30 degrees East, 51 feet;
- South 61 degrees East, 68-29/100 feet;
- South 6 degrees West, 57 feet;
- South 41 degrees West, 39 feet;
- South 16 degrees East, 27 feet;
- South 52 degrees East, 42 feet;
- South 4 degrees West, 60 feet; and
- South 28 degrees-03 minutes East, 95-4/10 feet to the West line of said Gravel Company tract;

THENCE North no degrees-09 minutes East, along the said West line of Gravel Company tract, 998-5/10 feet to the PLACE OF BEGINNING and containing 3-92/100 acres, more or less, of which 1-94/100 acres are within the said Flores Survey and 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 Eagles Mountain Lake in the Northwest part of Tarrant County, Texas; and embracing a portion of the tract described in the deed to Tarrant County Water Control and Improvement District No. 1 recorded in Volume 1053, Page 634 of the Tarrant County Deed 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 Northeast end beginning corner of the tract being described;

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

THENCE along said elevation 649 feet contour for the said boundary of lake with its meanders;

Exhibit "A" - Page 6

0-10-0000-00000

- North 69 degrees-33 minutes West 24-7/10 feet;
- South 73 degrees West 50 feet;
- North 63 degrees West 70 feet;
- South 54 degrees West 67 feet;
- North 60 degrees West 218 feet;
- North 42 degrees West 193 feet;
- North 72 degrees West 80 feet;
- North 57 degrees West 100 feet;
- North 82 degrees West 40 feet;
- North 12 degrees East 45 feet;
- North 80 degrees East 65 feet;
- South 46 degrees East 70 feet;
- North 77 degrees East 60 feet;
- North 30 degrees East 140 feet;
- North 34 degrees-41 minutes East 87-6/10 feet;
- North 15 degrees East 110 feet;
- North 8 degrees West 100 feet;
- North 27 degrees West 130 feet;
- North 17 degrees West 130 feet;
- North 12 degrees West 160 feet;
- North 38 degrees West 30 feet;
- North 66 degrees-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 feet;
- North 33 degrees West 90 feet;
- North 135 feet;
- North 4 degrees East 190 feet;

14-10-0000-000000

North 73 degrees-59 minutes-26 seconds East, 120-02/100 feet;
South 88 degrees-00 minutes-31 seconds East, 47-30/100 feet;
South 41 degrees-40 minutes-14 seconds East, 34-12/100 feet;
South 39 degrees-32 minutes-58 seconds East, 61-15/100 feet;
South 55 degrees-22 minutes-52 seconds West, 122-20/100 feet;
South 49 degrees-09 minutes-18 seconds West, 111-83/100 feet;
South 39 degrees-17 minutes-40 seconds East, 19-00/100 feet;
South 64 degrees-45 minutes-48 seconds East, 52-17/100 feet;
South 33 degrees-07 minutes-39 seconds East, 43-01/100 feet;
South 05 degrees-05 minutes-13 seconds West, 77-37/100 feet;
South 42 degrees-28 minutes-17 seconds East, 14-84/100 feet;
South 53 degrees-53 minutes-04 seconds East, 32-93/100 feet;
South 51 degrees-29 minutes-56 seconds East, 42-72/100 feet;
South 42 degrees-20 minutes-55 seconds East, 75-76/100 feet;
South 48 degrees-14 minutes-42 seconds East, 92-25/100 feet;
South 85 degrees-08 minutes-13 seconds East, 118-96/100 feet;
North 67 degrees-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 degrees-02 minutes-51 seconds East, 66-88/100 feet;
South 66 degrees-34 minutes-38 seconds East, 41-49/100 feet;
South 45 degrees-27 minutes-03 seconds East, 67-00/100 feet;
South 49 degrees-31 minutes-04 seconds East, 65-21/100 feet;
South 07 degrees-40 minutes-19 seconds East, 43-52/100 feet;
South 11 degrees-48 minutes-20 seconds West, 52-53/100 feet;
South 49 degrees-31 minutes-01 seconds West, 62-07/100 feet;
South 38 degrees-54 minutes-55 seconds West, 86-25/100 feet;
South 21 degrees-09 minutes-08 seconds West, 39-01/100 feet;

Exhibit "A" - Page 9

G.F. No. 241074SSC
Form No. 020

WING • 0000 • 0000

South 59 degrees-47 minutes-43 seconds West, 99-96/100 feet;
South 68 degrees-08 minutes-44 seconds West, 63-30/100 feet;
South 79 degrees-59 minutes-15 seconds West, 52-81/100 feet;
North 63 degrees-18 minutes-36 seconds West, 52-80/100 feet;
North 42 degrees-29 minutes-48 seconds West, 57-56/100 feet;
North 12 degrees-44 minutes-58 seconds West, 36-98/100 feet;
North 03 degrees-41 minutes-00 seconds East, 46-64/100 feet;
North 09 degrees-12 minutes-45 seconds East, 58-82/100 feet;
North 06 degrees-12 minutes-50 seconds East, 73-30/100 feet;
North 13 degrees-53 minutes-56 seconds West, 96-26/100 feet;
North 24 degrees-48 minutes-34 seconds West, 152-77/100 feet;
North 17 degrees-26 minutes-42 seconds West, 94-58/100 feet;
North 12 degrees-41 minutes-22 seconds West 88-51/100 feet;
North 20 degrees-11 minutes-20 seconds East, 91-91/100 feet;
North 09 degrees-09 minutes-15 seconds East, 100-54/100 feet;
North 15 degrees-13 minutes-11 seconds East, 73-98/100 feet;
North 44 degrees-27 minutes-36 seconds East, 93-08/100 feet;
North 28 degrees-29 minutes-26 seconds East, 133-25/100 feet;
South 26 degrees-26 minutes-30 seconds East, 22-08/100 feet;
North 54 degrees-58 minutes-17 seconds East, 17-19/100 feet;
North 68 degrees-53 minutes-07 seconds East, 54-22/100 feet;
North 25 degrees-31 minutes-42 seconds East, 16-35/100 feet;
South 82 degrees-06 minutes-50 seconds East, 30-22/100 feet;
North 18 degrees-38 minutes-36 seconds 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 feet;
North 62 degrees-06 minutes-48 seconds East, 116-62/100 feet;
North 40 degrees-18 minutes-34 seconds East, 52-00/100 feet;

Exhibit "A" - Page 11

G.P. No. 241074SEC
Form No. 020

460-0000-034

North 68 degrees-45 minutes-26 seconds 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 and the D.T. FLORES SURVEY, ABSTRACT NO. 508, situated on the North end of Eagle Mountain Lake in the Northwest part of Tarrant County, Texas; and embracing portions of the tracts described in the deeds to Tarrant County Water Control and Improvement District No. 1 recorded in Volume 1071, Page 523, of the Tarrant County Deed Records and recorded in Volume 1169, Page 483 of the said Deed Records;

COMMENCE at the Northwest corner of the tract described in the deed to Harston Gravel Company, Inc. recorded in Volumes 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-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 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 described;

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

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

South 85 degrees East 165 feet;

North 88 degree East 189 feet;

South 75 degrees East 90 feet;

South 41 degree East 216 feet;

South 60 degree East 199 feet;

North 44 degree East 38 feet;

North 23 degrees West 132 feet;

North 4 degrees West 128 feet;

North 9 degrees East 112 feet;

Exhibit "A" - Page 12

G.F. No. 241074SBC
Form No. 020

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

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.

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

THE STATE OF TEXAS

§
§
§
§

KNOW ALL PERSONS
BY THESE PRESENTS:

COUNTY OF TARRANT

WHEREAS, The Resort At Eagle Mountain Lake, L.P. (the "Declarant") was the owner of certain property in the County of Tarrant, State of Texas, known as The Resort At Eagle Mountain Lake, (the "Property") and more particularly described in Exhibit "A" 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 line; 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 26th day of December, 2000.
ATTEST:

The Resort At Eagle Mountain Owner's Association,
a Texas Non-Profit Corporation

By: [Signature]

Name: Mehrdad Moayed i

Title: President

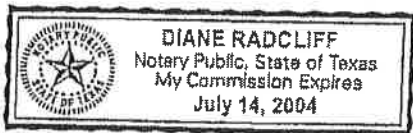
By: [Signature]

Name: Ross Calhoun

Title: Secretary

THE STATE OF TEXAS §
 §
COUNTY OF TARRANT §

BEFORE ME, the undersigned notary public, on this day personally appeared Mehrdad Moayed i, as President of The Resort at Eagle Mountain Lake Homeowner's Association and Ross Calhoun, as Secretary of The Resort At 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 26th day of December, 2000, to certify which witness my hand and official seal.



[Signature]
Notary Pubic - 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.
2. Article II Definitions - 2.17 "Golf Course" 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."
3. Article II Definitions - an additional definition is added as follows: "2.31 "GCV": 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 Application Fee Required: 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."
7. 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.
8. Exhibit C Architectural Rules – 5.6 Boat Docks: add to the end of the last sentence: "and must be in compliance with Tarrant Regional Water District."
 9. Exhibit C Architectural Rules – 5.8 Fencing and Walls:
 - (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,...".
 10. Exhibit C "Architectural Rules" – 5.20 Roofing: Add the following sentences 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."
 11. Exhibit C "Architectural Rules" – 5.21 Setbacks and Height Limitations: In subsection (a.) Front Yard, delete: "Structures may not be closer than forty-three (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 forty-three feet (43') from the street."
 12. Exhibit D "Rules and Regulations" - Section 6.4 Construction Schedule: Replace first sentence with: "Approved construction is limited to Monday through Saturday 7:00 a.m. to 6:00 p.m."
 13. "Exhibit 'C' The Villas Architectural Rules" and "Exhibit 'D' The Villas 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.
 14. All terms and conditions contained in the Agreement not modified in this 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


By: 
Name: Mehrdad Moayed
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: 
Name: Mehrdad Moayed
Its: President

14107993 • 0000 • 0000

Exhibit "C"

THE RESORT

ARCHITECTURAL RULES

TABLE OF CONTENTS

	PAGE
SECTION I	
DEFINITIONS	1
1.1 "Architectural Rules".....	1
1.2 "Flood Hazard Area".....	1
1.3 "Improvements"	1
SECTION 2	
APPLICATION REQUIREMENTS	1
2.1 Application Required For All Improvements	1
2.2 Application Required For Maintenance	1
2.3 Submit Application In Advance of Meeting	1
2.4 Approval Period	2
2.5 Architectural Approval Before Submission to Governing Authority	2
2.6 Application Fee Required	2
2.7 Architectural Design	2
2.8 View Blockage	2
2.9 Time Schedule For Construction	2
2.10 Architectural Plans	2
2.11 Landscape Plans	3
2.12 Engineering And Code Requirements	3
2.13 Building Permits Do Not Constitute Approval	3
2.14 Contractor Assistance	3
2.15 Conflicts of Interest	3
2.16 Rescinding Approval	4
2.17 Deviations From The Rules	4
2.18 Amendments To Rules	4
SECTION 3	
REQUIREMENTS AFTER APPROVAL	4
3.1 No Construction Without Approval	4
3.2 Approval and Building Permits Must Be Posted	4
3.3 Approval Conditioned on Signed Construction Agreement	4
3.4 Approval Lapses After Six Months	4
3.5 Notice of Completion	4
SECTION 4	
GENERAL CONDITIONS FOR APPROVAL	4
4.1 Improvements Limited To Owner's Lot	4
4.2 Building Permits	5
4.3 Owner Liable for Damage	5
4.4 Inspections	5
4.5 Insurance	5
4.6 Indemnity	5
4.7 Approval of Nonconforming Improvements	5
4.8 Waiver of Liability	5
SECTION 5	
ARCHITECTURAL RESTRICTIONS	5

HOA, COCC, EWING

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 1 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.

1.1 "Architectural Rules" shall mean those rules and guidelines adopted by the ARC.

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.

1400-0000-0000

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 and height above natural grade at highest point above referenced grade. Also, indicate height of wall at zero lot line, above adjacent grade.
- e. **Drainage.** Lot drainage must be shown with respect to its overall drainage in the addition and must be 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.
- g. **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 a personal interest in a submission cannot take any part in the decision making process.

100-0000-010010

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 fines, 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 observe all appropriate set backs as well as take into account any easements which may burden the lot.

1500-0000-0001

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.

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&R's, (ii) plans approved by the ARC, and (iii) all applicable building and fire codes.

4.5 Insurance. 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 right to withhold approval of any similar plan, drawing, specification or matter subsequently submitted for approval.

4.8 Waiver 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 constructed 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 but 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 entities having jurisdiction over same, whichever is the greater.

1000-0000-00000000

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

4100799-00000-0000

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 Mailboxes. All mailboxes erected within The Resort must be in compliance with all requirements of the U.S. Post Office. Additionally, mailboxes 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 Patio 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.

MEMBER - 0000 - 020

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 Height 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 bars shall be installed on any window.

12-10-0500-014014

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 alleviate 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 hazards.

6.7 Security. Owners must provide their own security for their work sites and each

4110111111 - 00000 - 011111

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 lot. 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 in 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 severity and frequency of the violation, fines may vary from \$20.00 to \$1,000.00 per violation.
- b. **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.
- c. **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.

4150190-0000-0111

- e. **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.
- 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 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.

410 • 0000 • 010004

Exhibit "D"

**THE RESORT AT EAGLE MOUNTAIN LAKE
PROPERTY OWNERS ASSOCIATION**

RULES AND REGULATIONS

6-30-00-01-01-01

- 4.7 Vehicle Leaks 7
- 4.8 Driveways Cleaned 7
- 4.9 Car Washing 7
- 4.10 Dumping Into Street Drains Prohibited 7
- 4.11 Garage and Garage Doors 7
- 4.12 Inoperable Vehicles 7
- 4.13 Motorcycles, Motor Scooters and Mopeds 7
- 4.14 Parking 7
- 4.15 Parking for Parties 8
- 4.16 Vehicles with Signs 8
- 4.17 Parking on Streets 8
- 4.18 Parking Violations 8

SECTION 5

- PET RULES** 8
- 5.1 Types of Pets 8
- 5.2 Number of Pets 9
- 5.3 Licenses 9
- 5.4 Feces Clean Up 9
- 5.5 Leash Law 9
- 5.6 Barking and Other Animal Noises 9
- 5.7 Dangerous Animals 9
- 5.8 Animal Structures 9
- 5.9 Mobile Dog Grooming Vans 9

SECTION 6

- CONSTRUCTION AND REMODELING** 10
- 6.1 Approval by ARC 10
- 6.2 Working Without Approval 10
- 6.3 Non-Vendor Work 10
- 6.4 Construction Schedule 10
- 6.5 Non-Construction Vendor Services 10
- 6.6 Emergency Repairs 10
- 6.7 Construction Debris 10
- 6.8 Oversized Trash Bin 10
- 6.9 Contractor Signs 10
- 6.10 Utility Lines 11

SECTION 7

- SALES AND LEASING** 11
- 7.1 Real Estate Agents & Open House 11
- 7.2 Homes For Sale By Owner 11
- 7.3 Real Estate Signs 11
- 7.4 Tenants 11

SECTION 8

- RESTRICTED USES, RESTRICTED ACTIVITIES AND PROHIBITED CONDITIONS**
- 8.1 Temporary Structures and Mobile Homes 12
- 8.2 Fences 12
- 8.3 Air Conditioning Units and Similar Equipment 12
- 8.4 Garage Sales 12

PLANNING - DESIGN - CONSTRUCTION

- 8.5 Pools 12
- 8.6 Removal of Trees 12
- 8.7 Unlawful Activities 13
- 8.8 Drilling 13
- 8.9 Prohibitions 13

SECTION 9

- RULES ENFORCEMENT PROCEDURES 15**
- 9.1 Responsibility for Rules & Regulation Violations 15
- 9.2 Complaints 15
- 9.3 Complaints Available for Viewing 15
- 9.4 Penalties 15
- 9.5 Hearing Procedures 16

SECTION 10

- ASSESSMENT COLLECTION POLICIES 16**
- 10.1 Due Date for Regular Assessments 16
- 10.2 Due Date for Special Assessments 16
- 10.3 Delinquencies 17
- 10.4 Actions to Collect Delinquencies 17
- 10.5 Crediting of Payments 17
- 10.6 Offsetting Payments 17
- 10.7 Disputes Involving Assessment Collection 17
- 10.8 Attorneys' Fees 18

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.
- b. **Fire Hydrants.** Areas around fire hydrants must be free of shrubs, 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 are in the rear yards facing the Lake, Canal or Golf Course are 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 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 or Canal.
- e. **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 no 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 prohibited.

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.

FINISH • 0050 • 000

- 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.

- ii. **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, 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 Resort 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

REC-0000-01011

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 earlier 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 stored 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 statutes, 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 **Soliciting.** 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 loss 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 boat, 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 Resort.

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 licensed 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 complies 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 pick-up.

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 infraction.

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 fines 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.

480-000-0000

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 maintenance 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 Resort 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 Driveways Cleaned. Residents are required to keep driveways free of oil, grease, rust 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. **Blocking 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, Trailers, 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

4
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

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 back 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 pooper 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 Resort, shall be removed from The Resort 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 health 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.

1100-0000-0110011

SECTION 6 CONSTRUCTION AND REMODELING

6.1 Approval by Architectural Review Committee (ARC). Modifications to 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 Sunday. 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

1170-0000-0111

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 streets 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 buyers 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.** Tenant shall carry "renters insurance."

9550 • 0000 • 01210514

**SECTION 8
RESTRICTED USES, RESTRICTED ACTIVITIES
AND PROHIBITED CONOITIONS**

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.

b. **Energy Conservation Equipment.** No solar energy collector panels or attendant hardware or nther 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

1400-0000-0000-0000

- 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 of any Lot for operation of a timesharing, fraction-sharing, or similar program whereby the right in 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.
- l. Discharge of firearms; provided, the Board shall have no obligation to take action to prevent or stop such discharge.
- m. On-site storage of gasoline, heating, or other fuels, except that a reasonable amount 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 circumstances 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/or operation of the Golf Course and/or marina.
- p. Conversion 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 motor vehicles on sidewalks, pathways or trails maintained by the Association, except that golf carts may be operated on cart paths intended for such purposes.
- r. 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.

1. 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 right to view written complaints on file with the Association if the complaints pertain to the person or 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 legal action depending on the severity of the violation. Following is a description of the actions which may be taken.

- a. **Monetary 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 following:
 - 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.

1500 • 0000 • 000000

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.

