


MARY LOUISE NICHOLSON
COUNTY CLERK

**SECOND AMENDED AND RESTATED
DECLARATION OF COVENANTS,
CONDITIONS, AND RESTRICTIONS
FOR
THE RESORT AT EAGLE MOUNTAIN LAKE**

Filed for record in Tarrant County, Texas

TABLE OF CONTENTS

PART ONE: INTRODUCTION TO THE COMMUNITY 1

Article I 1

Creation of the Community 1

 1.1. Purpose and Intent 1

 1.2. Binding Effect and Term 1

 1.3. Governing Documents 2

Article II 2

Definitions 2

 2.1. “Architectural Review Committee” or “ARC” 2

 2.2. “Area of Common Responsibility” 2

 2.3. “Articles of Incorporation” or “Articles” 3

 2.4. “Association” 3

 2.5. “Base Assessment” 3

 2.6. “Board of Directors” or “Board” 3

 2.7. “Builder” 3

 2.8. “Bylaws” 3

 2.9. “Canal Lots” 3

 2.10. “Class “A” Members” 3

 2.11. “Class “B” Member” 3

 2.12. “Class “B” Control Period” 3

 2.13. “Common Area” 4

 2.14. “Common Expenses” 4

 2.15. “Community-Wide Standard” 4

 2.16. “Corner Lot” 4

 2.17. “Declarant” 4

 2.18. “Design Guidelines” 5

 2.19. “Golf Course” 5

 2.20. “Governing Documents” 5

 2.21. “Lot” 5

 2.22. “Master Plan” 6

 2.23. “Member” 6

 2.24. “Mortgage” 6

2.25. "Owner".....6

2.26. "Person".....6

2.27. "Record," "Recording," or "Recorded".6

2.28. "Special Assessment".....6

2.29. "Specific Assessment".6

2.30. "Supplemental Declaration".....6

2.31. "Rules and Regulations".7

2.32. "The Resort Community".....7

2.33. "Villas".....7

PART TWO: CREATION AND MAINTENANCE OF COMMUNITY STANDARDS7

Article III7

Use and Conduct.....7

3.1. Framework for Regulation.7

3.2. Rule Making Authority.8

3.3. Owners' Acknowledgment and Notice to Purchasers.9

3.4. Protection of Owners and Others.9

Article IV11

Architecture and Landscaping11

4.1. General11

4.2. Architectural Review.....11

4.3. Guidelines and Procedures.12

4.4. Garages.....14

4.5. Setback Requirements.14

4.6. Waiver of Setback Requirements.14

4.7. No Waiver of Future Approvals.....14

4.8. Variances.....14

4.9. Limitation of Liability.....15

4.10. Certificate of Compliance.15

4.11. Fees: Assistance.15

4.12. Enforcement.15

Article V16

Maintenance and Repair16

5.1. Maintenance of Area of Common Responsibility16

5.2. Maintenance of Lots.....16

5.3. Responsibility for Repair and Replacement.....16

5.4. Party Structures17

5.5. Artificial Grass or Turf.....17

PART THREE: COMMUNITY GOVERNANCE AND ADMINISTRATION18

Article VI.....18

THE ASSOCIATION AND ITS MEMBERS18

6.1. Function of Association.....18

6.2. Membership.....18

6.3. Voting.....18

Article VII.....19

Association Powers and Responsibilities19

7.1. Acceptance and Control of Association Property19

7.2. Maintenance of Area of Common Responsibility20

7.3. Insurance.21

7.4. Compliance and Enforcement.23

7.5. Implied Rights: Board Authority.....25

7.6. Indemnification of Officers, Directors, and Others.....25

7.7. Security.....26

7.8. Provision of Services.....26

7.9. Use of Areas of Common Responsibility, Common Area, and
Recreational Facilities27

7.10. Limitation of Liability and Assumption of Risk and Indemnification27

7.11. Adjacent Water and Sewer Treatment Plants.....29

Article VIII29

Association Finances29

8.1. Budgeting and Allocating Common Expenses.....29

8.2. Budgeting for Reserves31

8.3. Special Assessments.....31

8.4. Specific Assessments31

8.5. Authority to Assess Owners: Time of Payment.31

8.6. Liability for and Enforcement of Assessments.32

8.7. Lien for Assessments.....34

8.8. Exempt Property35

8.9. Capital Reserve/Improvement Contribution35

8.10. Transfer Fees and Fees for Issuance of Resale Certificates.....36

PART FOUR: COMMUNITY DEVELOPMENT.....36

 Article IX.....36

 Expansion of The Resort36

 9.1. Expansion by Declarant.....36

 9.2. Expansion by the Association37

 9.3. Additional Covenants and Easements37

 9.4. Effect of Recording Supplemental Declaration.....37

 Article X37

 Additional Rights Reserved to Declarant37

 10.1. Withdrawal of Property37

 10.2. Marketing and Sales Activities.....37

 10.3. Right to Develop.....38

 10.4. Right to Approve Additional Covenants38

 10.5. Right to Transfer or Assign Declarant Rights38

 10.6. Exclusive Rights to Use Name of Development38

 10.7. Easement to Inspect and Right to Correct39

 10.8. Termination of Rights39

PART FIVE: PROPERTY RIGHTS WITHIN THE COMMUNITY.....39

 Article XI.....39

 Easements39

 11.1. Easements in Common Area39

 11.2. Easements of Encroachment40

 11.3. Easements for Utilities. Etc41

 11.4. Easements to Serve Additional Property41

 11.5. Easements for Maintenance, Emergency, and Enforcement42

 11.6. Easements for Lake or Detention Pond Maintenance42

 11.7. Easements for Drainage Areas.....43

PART SIX: RELATIONSHIPS WITHIN AND OUTSIDE THE COMMUNITY43

 Article XII.....43

 Dispute Resolution and Limitation on Litigation43

 12.1. Agreement to Encourage Resolution of Disputes Without Litigation43

 12.2. Notice44

 12.3. Negotiations and Mediation45

 12.4. Mediation.....45

12.5. Termination of Mediation.45

12.6. Binding Arbitration Claims.....45

12.7. Governing Rules.....45

12.8. Allocation of Costs.....46

12.9. Limitation on Damages.47

Article XIII47

Golf Course.....47

13.1. General47

13.2. View Impairment.....47

13.3. Rights of Access and Parking.....47

13.4. Easements for Golf Course.....48

13.5. Assumption of Risk and Indemnification.....48

Article XIV49

Mortgagee Provisions49

14.1. No Priority.....49

14.2. Notice to Association49

PART SEVEN: CHANGES IN THE COMMUNITY49

Article XV49

Changes in Ownership of Lots49

Article XVI.....50

Changes in Common Area.....50

16.1. Condemnation50

16.2. Partition50

16.3. Transfer or Dedication of Common Area.....50

16.4. Actions Requiring Owner Approval.....51

Article XVII.....51

Amendment of Declaration.....51

17.1. By Declarant.....51

17.2. By Members52

17.3. Validity and Effective Date.....52

17.4. Exhibits.....53

**SECOND AMENDED AND RESTATED DECLARATION OF COVENANTS,
CONDITIONS, AND RESTRICTIONS FOR
THE RESORT AT EAGLE MOUNTAIN LAKE**

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

THIS SECOND AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS (this “Declaration” and/or the “DCC&R’s”) is made this 2nd day of November, 2020, by The Resort at Eagle Mountain Lake, L.P., a Texas limited partnership (“Declarant”).

PART ONE: INTRODUCTION TO THE COMMUNITY

Declarant has established this Declaration to provide a governance structure and a system of standards and procedures for the overall development, administration, maintenance, and preservation of The Resort at Eagle Mountain Lake (hereinafter referred to as “The Resort”) as a master planned community.

**ARTICLE I
CREATION OF THE COMMUNITY**

1.1. Purpose and Intent.

Declarant, as the owner of the real property described in Exhibit “A”, and any amendments, supplement, recorded plats or replats, intends by recording this Declaration in the Official Public Records of Tarrant County to create a general plan of development for the planned community known as The Resort. This Declaration provides a reasonable procedure for the future expansion of The Resort to include additional real property as Declarant deems appropriate and provides for the overall development, administration, maintenance, and preservation of the real property now and hereafter comprising The Resort. An integral part of the development plan is the creation of The Resort at Eagle Mountain Lake Owners Association, Inc., an association comprised of all owners of real property subject to this Declaration, to own, operate, and/or maintain various common areas and community improvements and to administer and enforce this Declaration and the other Governing Documents of the Resort referred to in this Declaration and as amended and recorded hereafter.

This document does not and is not intended to create a condominium within the meaning of the Texas Condominium Act, Tex. Prop. Code Ann., Section 81.001, et seq. (Vernon 1984).

1.2. Binding Effect and Term.

All property described in Exhibit “A”, and any additional property which is made a part of The Resort in the future by recording one or more Amended and/or Supplemental Declarations,

plats, replats, and other recorded instruments shall be owned, conveyed, used, and otherwise encumbered subject to all of the provisions of this Declaration, as may be amended from time to time, and shall run with the title to such property. This Declaration shall be binding upon all Persons having any right, title, or interest in any portion of The Resort, their heirs, successors, successors-in-title, and assigns.

This Declaration shall be enforceable by Declarant, the Association, any Owner, and their respective legal representatives, heirs, successors, and assigns for a term of thirty (30) years from the date the Declaration is recorded. After such 30-year period, this Declaration shall extend automatically for successive 10-year periods unless a majority of the then Owners sign and record, within the year preceding any extension, an instrument which terminates this Declaration.

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 as defined herein shall apply to Owners as well as tenants, guests, invitees, and occupants. Any lease, rental agreement, contract or other document pertaining to a Lot shall provide that the lessee, tenant, guests, invitees, 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 Bylaws, the provisions of Texas law, the Declaration, the Articles, and the Bylaws (in that order) shall prevail.

ARTICLE II **DEFINITIONS**

The terms used in the Governing Documents shall be given their natural, commonly accepted definitions unless otherwise specified. In order to minimize repetition, avoid confusion, and explain key concepts, some terms are capitalized to indicate they have special definitions. Whenever used in capitalized form, those terms have the following meanings:

2.1. “Architectural Review Committee” or “ARC”.

The committee established by the Board in the manner set forth by this Declaration to review plans and applications for the modification of improvements within The Resort (subject to the rights reserved to 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 non-profit corporation, its successors or assigns.

2.5. “Base Assessment”.

Assessment is 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 the general governance and administration of the Association and this Declaration, selected as provided in the Bylaws.

2.7. “Builder”.

Any Person or entity 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 or entity’s business.

2.8. “Bylaws”.

The Bylaws 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. “Canal Lots”.

Any Lot located on or adjacent to the canals as depicted on the final plat or plat(s) for the Resort.

2.10 “Class “A” Members”.

All Owners except the Class “B” Member, if any.

2.11. “Class “B” Member”.

Declarant.

2.12 “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; or
- (b) when, in its sole discretion, the Class "B" Member so determines.

2.13. "Common Area".

All real and personal property, including but not limited to easements, licenses, leaseholds, rights-of-way and other interests in real property, and the improvements thereon which the Association owns, leases, or otherwise holds possessory or use rights in for the common use and enjoyment of the Owners. Declarant shall convey title to the Common Area to the Association prior to the expiration of the Class "B" Control Period free and clear of any encumbrance. The Common Area 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.

2.14. "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.

2.15. "Community-Wide Standard".

The standard of conduct, maintenance, and appearance, including landscaping, 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 Association, through its Board, shall ensure that the Community-Wide Standard established by the Declaration for the Resort shall continue after the termination or expiration of the Class "B" Control Period. 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. The Community-Wide Standard may or may not be in writing.

2.16. "Corner Lot".

Any Lot that has a street parallel to the front property line and a street parallel to one side property line.

2.17 "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.

2.18. “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 Amended and Restated Design Guidelines for The Resort shall be those attached hereto as Exhibit “D” and as may be amended from time to time by Declarant, its successors, agents, and/or assigns, 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.

2.19. “Golf Course”.

A semi-private Golf Course exists within the Resort. The Golf Course is private property, a separate entity, and is not part of the Association. The Association pays a fee to the Golf Course by and through the assessments collected so that its Members, Owners, and their families may enjoy the club house, swimming pool, children’s playground, and exercise facilities. Golf Course privileges may also be revoked in accordance with the expressed terms mentioned in Article VII of this Declaration. Members, Owners, and their families have the right to purchase directly from the Golf Course a golf membership or a round of golf. Such fees may vary from time to time in accordance with the rates and fees established by the owner, lessee, or management of the Golf Course and are neither charged by nor the responsibility of the Association. The Assessments collected by the Association may increase and/or fluctuate depending on the Golf Course dues owed year to year. The Association may increase annual Assessments as required whether an Owner does or does not engage in the amenities and services provided by the Golf Course.

2.20. “Governing Documents”.

A collective term referring to this Declaration and any applicable Amended and/or Supplemental Declaration, the Bylaws, the Articles of Incorporation, the Use Restrictions, Rules and Regulations, the Design Guidelines, and any other dedicatory instrument filed on behalf of The Resort, as each may be amended from time to time.

2.21. “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, and/or a collective set of final plats, notwithstanding any previous preliminary plat covering the same property, Lots shall be determined based upon those specific final plat(s). Any additions and/or removals of plat(s) and/or

re-plat(s) from The Resort will be stamped and filed with the Tarrant County Clerk of Court.

2.22. “Master Plan”.

The land use plan for The Resort prepared by Halff Associates, Inc., as approved by the appropriate authority, as it may be amended, which includes all of the property described in Exhibit “A”.

2.23. “Member”.

A Person who is a member in the Association pursuant to Section 6.2.

2.24. “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.

2.25. “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.

2.26. “Person”.

A natural person, a corporation, a partnership, a trustee, a limited liability company, or any other legal entity.

2.27. “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.

2.28. “Special Assessment”.

Assessments levied against all Owners to cover unanticipated expenses or expenses in excess of those budgeted, as described in Section 8.3.

2.29. “Specific Assessment”.

An assessment levied against a particular Lot or Lots for expenses incurred or to be incurred by the Association, as described in Section 8.4.

2.30. “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.

2.31. “Rules and Regulations”.

The use restrictions, rules, and regulations affecting The Resort, as they may be adopted, modified, and repealed as set forth in Article III. The Rules and Regulations are set forth in a separate document and recorded with the Clerk of Court for Tarrant County, Texas.

2.32. “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.

2.33. “Villas”.

A Lot located in the area of the Resort commonly known as the “Villas” or a Lot located on the area commonly known as the “Island.” Villas Lots have a zero-foot (0’) setback on one side property line and are subject to specific Design Guidelines for construction and modification of Lots. These particular Lots are surrounded by preserved land controlled and protected by the United States Army Corp of Engineers. The removal and/or clearing of any trees, brush, rocks, ground cover, or other types of material located in these areas without prior written consent of the United States Army Corp of Engineers and the Board of Directors will result in immediate fines and penalties pursuant to the enforcement measures contained herein.

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 the Rules and Regulations, including the Rules and Regulations set forth in a separately recorded document.

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 Rules and Regulations then in effect. The Board shall post a notice in a prominent place within The Resort and/or on the website or send notice by mail to all Owners of such proposed action at least thirty (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.

(b) Alternatively, at an Association meeting duly called for such purpose, the Members representing more than 50% of the total Class "A" votes in the Association may vote to adopt rules which amend, cancel, or otherwise modify Use Restrictions/Rules and Regulations then in effect. Such action shall require the approval of the Class "B" 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 fourteen (14) 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 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 Rules and Regulations and that the 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 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 Rules and Regulations may not have been Recorded. Copies of the current 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 Rules and Regulations set forth in a separately recorded document, all Rules and Regulations shall comply with the following provisions:

(a) Similar Treatment. Similarly situated Owners shall be treated similarly.

(b) 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. Supplemental rules may be filed by the Association but will not regulate the content of political signs so long as these signs are not vulgar and/or inappropriate for the general public. Rules may regulate the time, place, and manner of posting such signs (including design criteria).

(c) Activities Within Dwellings. No rule shall interfere with the activities carried on within the confines of dwellings, except that the Association may prohibit activities not normally associated with property restricted to residential use, and it may restrict or prohibit any activities that create monetary costs for the Association or other Owners, that create a danger to the health or safety of occupants of other Lots, that generate excessive noise or traffic, that create unsightly conditions visible outside the dwelling, or that create an unreasonable source of annoyance.

(d) Allocation of Burdens and Benefits. No rule shall alter the allocation of financial burdens among the various Lots or rights to use the Common Area to the detriment of any Owner over that Owner's objection expressed in writing to the Association, except as provided in Section 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 requires a minimum lease term as it sees fit and expresses in its Governing Documents. The Association may require that Owners use lease forms approved by the Association, but shall not

impose any fee on the lease or transfer of any Lot greater than an amount reasonably based on the costs to the Association of administering that lease or transfer.

(f) Abridging Existing Rights. No rule shall require an Owner to dispose of personal property that was in or on a Lot prior to the adoption of such rule and which was in compliance with all rules previously in force. This exemption shall apply only for the duration of such Owner's ownership of the personal property 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.

(h) Wetland Regulation and Protection. No rule shall allow an Owner to misuse, abuse, nor obstruct any protected wetland, marshland, and other protected area located within The Resort. Further, any and all Owners within The Resort shall not engage in the creation of any obstruction not affirmatively authorized by Congress, to the navigable capacity of any of the waters located within the Resort, including, but not limited to, building or commencing the building of any wharf, pier, dolphin, boom, weir, breakwater, bulkhead, jetty, or other structures in any port, roadstead, haven, harbor, canal, navigable river, or other water of The Resort, except on plans recommended by the Chief of Engineers for the United States Army Corp of Engineers and authorized by the Association. No rule shall also allow nor permit Owners to excavate or fill, or in any manner to alter or modify the course, location, condition, or capacity of, any port, roadstead, haven, harbor, canal, lake, harbor of refuge, or enclosure within the limits of any breakwater, or of the channel of any navigable water of The Resort, unless the work has been recommended by the Chief of Engineers and authorized by the Association before beginning the same.

(i) Residential Use. 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. Nor may any residence and or Lot be used for short term rental nor for transient purposes.

(j) Leasing. Single Family Residences may be leased only in their entirety. All leases must be for a minimum period of twelve (12) months unless otherwise approved by the Association and expressed in writing. All leases shall be in writing and provide that the terms of the lease are subject to the terms, conditions, and provisions of the Governing Documents. No transient tenants may be accommodated on a Lot. Transient tenants will be regarded as any tenant occupying a Lot for less than twelve (12) months or through a short-term rentals service or other third-party renting the Lot or Residences for a period of less than one (1) year.

The limitations described in this Section 3.4 shall only limit rule-making 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. These visible areas may not be painted nor repainted any color and/or tone outside of the light to medium earth tone colors described in the Association’s Governing Documents, without the express written consent of the Architectural Review Committee. No approval shall be required to repaint the exterior of a structure, including trimmings, so long as the chosen color is in accordance with the originally approved color scheme or to rebuild in accordance with originally approved plans and specifications. However, prior to commencing any repainting of the exterior of a structure, including trimmings, an Owner must notify the ARC in writing prior to commencing the work.

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 and/or Class ‘B’ Membership controls.

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. Declarant and the Board shall

establish the Architectural Review Committee (“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, Declarant 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 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. 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 on 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, the Community-Wide Standard, 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 thirty (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. If the Reviewing Body requests any additional information to supplement a submitted Plan, and the submitting party fails to provide a response to such request within ten (10) days of the date of the request, the submitted Plan will be deemed denied. In this instance, the submitting party must make a written request to the Reviewing Body to either re-open the original Plan and/or re-submit the Plan for review and approval by the Reviewing Body. 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 (10) days of receipt of such notice, approval shall be deemed granted. However, no Plans, whether expressly approved or deemed approved pursuant to the foregoing, shall be inconsistent with the Design Guidelines unless a variance has been granted in writing pursuant to Section 4.5.

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

(c) Commencement and Completion of Work. Declarant shall review the plans for each residence to be constructed and the time frame for construction of each residence on a case by case basis. Unless an alternate time period is approved in writing by Declarant, in Declarant's sole discretion, then all Work must be commenced on Lots within one year after the date such Lot is purchased from Declarant, and all Work must be completed within one year after commencement of construction unless completion within such time is delayed due to causes beyond the reasonable control of the Owner, as determined in the sole discretion of the Reviewing Body, provided, however, in no event shall such time period extend beyond two (2) years after the date such Lot is

purchased from Declarant.

4.4. Garages.

Each residence shall have an enclosed garage suitable for parking a minimum of two standard size automobiles, which garage shall conform in design and materials with the main structure and Governing Documents. All garages must be rear entry or side entry only, except for Villas and Canal Lots which may have front load garages. For all other Lots, front load garages may only be permitted upon written approval of the Reviewing Body after written submittal of plans and specifications for same in accordance with the Declaration.

4.5. Setback Requirements.

(a) No dwelling shall be located on any Lot nearer to the front lot line than the minimum of twenty-five feet (25') and the rear lot line or nearer to the side lot line than the minimum ten-foot (10') setback lines shown on the Plat and as required by The Resort.

(b) Lots located within the Villas are not subject to subpart (a) of this Section 4.5. Lots located within the Villas have a zero-foot (0') setback on one side of the property and a minimum of five-foot (5') setback on the other side of the Lot.

(c) Corner lots are subject to a twenty-five (25') setback on the property line facing the street.

4.6. Waiver of Setback Requirements.

With the written approval of the Reviewing Body and subject to plat and zoning restrictions, any building may be located further back from the front property line of a Lot than provided above, where, in the opinion of the Reviewing Body, the proposed location of the building will enhance the value and appearance of the Lot and will not negatively impact the appearance of adjoining Lots.

4.7. 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.

4.8. 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.

4.9. 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 on or modifications to any Lot. In all matters, the Board, the ARC, and any member thereof shall be defended and indemnified by the Association as provided in Section 7.6.

4.10. 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.

4.11. 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.

4.12. 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 Bylaws, to enter upon the Lot and remove or complete any incomplete work and to assess all costs incurred against the Lot and the Owner thereof as a Specific Assessment.

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

ARTICLE V **MAINTENANCE AND REPAIR**

5.1. Maintenance of Area of Common Responsibility.

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

5.2. Maintenance of Lots.

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

5.3. Responsibility for Repair and Replacement.

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

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

5.4. Party Structures.

(a) General Rules of Law to Apply. Each wall, canal wall, screening 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 and any or all Owners of such Lot upon which the party structure is thereon located. The Association is not responsible for repair and/or maintenance of any party structures.

(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 must 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.

5.5. Artificial Grass or Turf.

Artificial grass or turf is prohibited absent a variance from the Reviewing Body, which may be granted or denied in the sole discretion of the Reviewing Body. However, the Reviewing Body shall have no authority to approve artificial turf in any area located in front or side yards of the Lot. Each Owner understands upon installation of artificial turf that the Owner is solely responsible for drainage and maintenance obligations and will be held accountable and liable for any present or future damages that may be incurred to either the Owner's Lot or any other Lot or Common Area due to the installed turf. Any artificial grass or turf approved by the Reviewing Body may not be installed nearer than fifteen-feet (15') from any canal wall.

Any and all requests for the installation of Artificial Grass or Turf must be submitted in writing to the Reviewing Body, and must include the quality, type, style, and grade of the requested Artificial Grass or Turf. The Reviewing Body, in its sole discretion, may approve or disapprove the quality, type, style, and grade of the Artificial Grass or Turf in its reasonable and subjective discretion.

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

ARTICLE VI **THE ASSOCIATION AND ITS MEMBERS**

6.1. Function of Association.

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

6.2. Membership.

Every Owner is a Member of the Association; provided, there is only one membership per Lot. If a Lot is owned by more than one Person, such Co-Owners shall share the privileges of membership, subject to reasonable Board regulation and the restrictions on voting set forth in Section 6.3(c) and in the Bylaws, 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 the 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 Bylaws.

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, the Declarant shall have the right in its sole and absolute discretion to unilaterally take any action or inaction with respect to any matter whatsoever, without the prior consent of the Association or the Members, prior to the expiration of the Class "B" Control Period.

ARTICLE VII ASSOCIATION POWERS AND RESPONSIBILITIES

7.1. Acceptance and Control of Association Property.

(a) The Association, through action of its Board, may acquire, hold, and dispose of tangible and intangible personal property and real property.

(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.

(b) 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, and/or wash areas located within The Resort which serve as part of the storm drainage system for The Resort, including improvements and equipment installed therein or used in connection therewith; provided, neither the 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 in its sole discretion shall have the right to enter upon, for the purpose of maintaining, and may maintain, other property which it does not own, including, without limitation, Lots and property dedicated to the public, if the Board determines that such maintenance is necessary or desirable to maintain Community-Wide Standard. In addition, the Association may enter into contractual agreements or covenants to share costs with other properties or facilities for maintaining and/or operating shared or mutually beneficial properties or facilities. The Association shall not be liable for any damage or injury occurring on, or arising out of the condition of, property which it does not own, except to the extent that it has been negligent in the performance of its maintenance responsibilities.

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

(iv) Directors and officer’s liability coverage;

(v) Commercial crime insurance, including fidelity insurance covering all Persons responsible for handling Association funds in an amount determined in the Board's best business judgment, but not less than an amount equal to one-quarter of the annual Base Assessments on all Lots plus reserves on hand. Fidelity insurance policies shall contain a waiver of all defenses based upon the exclusion of Persons serving without compensation; and

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

Premiums for all insurance on the Area of Common Responsibility shall be a Common

Expense unless the Board reasonably determines that other treatment of the premiums is more appropriate.

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

The policies may contain a reasonable deductible and the amount 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 Bylaws, that the loss is the result of the negligence or willful misconduct or 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 sixty (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 sixty (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).

7.4. Compliance and Enforcement.

(a) Special Enforcement Rights of the Board of the Association. Every Owner and occupant of a Lot shall comply with the Governing Documents. If an Owner fails to comply with any provision of this Declaration, the Design Guidelines, or any other Governing Documents, then, prior to the Board or the Association enforcing the compliance of such failure or seeking against such Owner remedies in accordance with this Declaration (or such other remedies as may be available to the Board and/or Association at law or in equity), the Board shall first be obligated to give such Owner notice of such failure and a reasonable time, as determined by the Board, after the date of such notice in which to cure such violation or failure. If the Owner shall not have corrected such failure within such reasonable time after the giving of such notice, the Board of Directors shall have the right but not the obligation, to assess monetary fines and enter upon the Lot and to bring the Lot, and any improvements thereon, into full compliance with this Declaration and the Design Guidelines. All costs and expenses incurred by the Association in connection with correcting any such failure shall be borne by the Owner. If any Owner does not promptly reimburse the Association for all such costs, expenses and violation fines assessed after receipt of written request for same, the Board shall have the right to assess the Owner for same plus interest, such assessment, interest and fines being a Specific Assessment under the provisions of Section 8.4 below. Notwithstanding the foregoing, an Owner shall not be given an opportunity to cure in the event the violation is deemed incurable or a threat to public health or safety. The notice and hearing provisions contained herein do not apply if the Association files suit seeking a temporary restraining order or temporary injunctive relief.

(b) Incurable Violations. For purposes of this Declaration, a violation is considered incurable if the violation has occurred but is not a continuous action or a condition capable of being remedied by affirmative action. For purposes of enforcement, the non-repetition of a one-time violation or other violation that is not ongoing is not considered an adequate remedy. Examples of incurable violations include, but are not limited to:

- (i) shooting fireworks;
- (ii) an act constituting a threat to health or safety;
- (iii) a noise violation that is not ongoing;
- (iv) property damage, including the removal or alteration of landscape; and
- (v) holding a garage sale or other event prohibited by the Governing Documents set forth by The Resort.

(c) Enforcement. In addition to but not in lieu of the enforcement rights set forth in Section 7.4(a), the Board may impose sanctions for violation of this Declaration and the Governing Documents (including any rules, guidelines or standards adopted pursuant to the Declaration) in accordance with the applicable procedures set forth in any policy or procedure adopted by the Board. Such sanctions may include, without limitation, any and/or all of the following:

- (i) Fines. The Board may impose reasonable monetary fines which shall constitute a lien upon the violator's Lot. The Owner shall be liable for the actions of any occupant,

guest, or invitee of such Lot.

(ii) Right to Vote. The Board may suspend an Owner's right to vote.

(iii) Right to Use Common Area. The Board may suspend any Person's right to use any recreational facilities within the Common Area; provided, however, nothing herein shall authorize the Board to limit ingress or egress to or from a Lot.

(iv) Right to Services. The Board may suspend any services provided by the Association to an Owner or the Owner's Lot if the Owner is more than thirty (30) days delinquent in paying any assessment or other charge owed to the Association.

(v) Self-Help. The Board may exercise self-help or take action to abate any violation of the Governing Documents in a non-emergency situation.

(vi) Right to Require Removal. The Board may require an Owner, at the Owner's expense, to remove any structure or improvement on such Owner's Lot which does not comply with this Declaration, the Design Guidelines, and/or the Governing Documents, and to restore the Lot to its previous condition and, upon failure of the Owner to do so, the Board or its designee shall have the right to enter the Lot, remove and cure the violation, and restore the Lot to substantially the same condition as previously existed, without such action being deemed a trespass and the Board may charge the costs thereof to the Owner's account as a Specific Assessment in accordance with Section 8.4 below.

(vii) Right to Discontinue Activities. The Board may prohibit any Person, prohibiting any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of the Declaration, the Design Guidelines, and any other Governing Documents from continuing or performing any further activities in The Resort.

(viii) Specific Assessments. The Board may levy Specific Assessments to cover costs incurred by the Association in bringing a Lot into compliance with the Declaration and the Governing Documents.

In addition to any other enforcement rights, if an Owner fails to perform properly such Owner's maintenance responsibility with respect to a Lot, the Association may record a notice of violation and/or enter the Lot and perform such maintenance responsibilities and assess all costs incurred by the Association against the Lot and the Owner as a Specific Assessment. Except in an emergency situation, the Association shall provide the Owner reasonable notice and an opportunity to cure the problem prior to taking such enforcement action.

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

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

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

7.5. Implied Rights: Board Authority.

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

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

7.6. Indemnification of Officers, Directors, and Others.

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

OFFICERS, DIRECTORS, AND COMMITTEE MEMBERS SHALL NOT BE LIABLE FOR ANY MISTAKE OF JUDGMENT, NEGLIGENT OR OTHERWISE, EXCEPT FOR THEIR OWN INDIVIDUAL WILLFUL MISFEASANCE, MALFEASANCE, MISCONDUCT, OR BAD FAITH. The Association's officers and directors shall have no personal liability with respect to any contract or other commitment made or action taken in good faith on behalf of the Association. The Association shall

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

7.7. Security.

OWNERS AND OCCUPANTS OF LOTS, AND THEIR RESPECTIVE GUESTS AND INVITEES, ARE RESPONSIBLE FOR THEIR OWN PERSONAL SAFETY AND FOR THEIR PROPERTY WITHIN THE RESORT. 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 fire protection, burglar alarm, or other security monitoring systems, or 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, use and access to Golf Course amenities (including, club house, swimming pool, playground equipment, and/or exercise facilities), 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 Areas of Common Responsibility, Common Area, and 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 or Areas of Common Responsibility for the use and enjoyment of the Owners, their families, tenants, other occupants of a Lot, and the guests of any such Persons. Each Owner hereby acknowledges that there are risks associated with the use of any such recreational facilities and that **ALL USERS OF SUCH FACILITIES ARE SOLELY RESPONSIBLE FOR SUCH RISK**. Each Owner, by accepting a deed to a Lot, acknowledges that he or she has not relied upon the representations of Declarant, any Builder, or the Association with respect to the safety of any recreational facilities or other Common Area provided within The Resort.

ALL USERS OF AREAS OF COMMON RESPONSIBILITY, COMMON AREA, AND/OR RECREATIONAL FACILITIES ARE SOLELY RESPONSIBLE FOR ANY SUCH RISK RELATED TO COVID-19 OR ANY OTHER INFECTIOUS OR EASILY TRANSMITTABLE AND CONTAGIOUS VIRUSES OR DISEASES. In consideration of being allowed to use the Areas of Common Responsibility, Common Area, and/or recreational facilities, each Owner, by accepting a deed to a Lot, hereby releases, forever discharges, and covenants not to sue the Declarant, Association, and/or its respective directors, officers, agents, employees, and contractors (collectively, the "Releasees") from all liability, claims, demands, losses, or damages suffered by the Owners, their families, tenants, occupants, guests, and/or any other Persons alleged to be caused, in whole or in part, by the alleged acts of the Declarant, Association, and/or its respective directors, officers, agents, employees, contractors, and all others purporting to act on its behalf including but not limited to alleged acts of negligence or gross negligence of the Releasees or otherwise, resulting in the exposure to or infection by the coronavirus, COVID-19, or any other infectious or easily transmittable and contagious virus or disease. Use of the Areas of Common Responsibility, Common Area, and/or recreational facilities is at each Owner's own risk.

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

Each Owner, by acceptance of a deed to a Lot, acknowledges that the use and enjoyment of any Common Area recreational facility, the lake, canal areas, and all areas adjacent thereto, involves certain risks including, without limitation, risks of personal injury or damage to property and each Owner has evaluated these risks and factors in making his or her decision to purchase property within The Resort. Each Owner acknowledges, understands, and covenants to inform its tenants and all occupants of its Lot that the Association, its Board and committees, Declarant, and any Builder are not insurers of personal safety and that each Person using the Common Area assumes all risks of personal injury and loss or damage to property, resulting from the use and enjoyment of any recreational facility or other portion of the Common Area, the lake, canal areas, and all areas

adjacent thereto. Each Owner shall rely solely upon its own investigation and evaluation and agrees that neither the Association, the Board, any committees, any Builder, nor Declarant shall be liable to such Owner or any Person claiming any loss or damage, including, without limitation, indirect, special, or consequential loss or damage arising from personal injury, death, destruction of property, trespass, loss of enjoyment, or any other wrong or entitlement to remedy based upon, due to, arising from, or otherwise relating to the existence of and/or the use of any recreational facility or other portions of the Common Area, the lake, canal areas, and all areas adjacent thereto, including, without limitation, the supply of water to the Resort and residences located therein, the water level of the lake and/or any canal caused by abundant rainfall, lack of rainfall, drainage, or caused by any other reason, flooding, flowage easements including those owned by the District, actions or inactions taken by the District, the view of the lake, canal and/or golf course, and/or any claim arising in whole or in part from the negligence of the Association, Declarant, or any Builder. **THE FOREGOING RELEASE IS INTENDED TO RELEASE THE SPECIFIED PARTIES FROM LIABILITY FOR THEIR OWN NEGLIGENCE.**

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

7.11. Adjacent Water and Sewer Treatment Plants.

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

ARTICLE VIII **ASSOCIATION FINANCES**

8.1. Budgeting and Allocating Common Expenses.

At least thirty (30) days before the beginning of each fiscal year, the Board shall prepare a budget of the estimated Common Expenses for the coming year, including any contributions to be made to a reserve fund pursuant to Section 8.2. The budget shall reflect the sources and estimated amounts of funds to cover such expenses, which may include any surplus to be applied from prior years, any income expected from sources other than assessments levied against the Lots, and the amount to be generated through the levy of Base Assessments and Special Assessments against the Lots, as authorized in Section 8.3.

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

Notwithstanding the above, Declarant shall pay the "budget deficit" in accordance with Section 8.6(b) hereof, and all Owners other than Declarant, or affiliates of Declarant, shall pay an initial quarterly Base Assessment in the amount of \$432.30 for each Lot owned, subject to increase, decrease, and/or alteration at the discretion of the Board of Directors. These base assessments are in addition to any fees which may be required in the Rules and Regulations for lawn maintenance, as applicable. As additional amenities are introduced to The Resort or as expenses increase, Declarant, its agents, and/or affiliates, may increase the Annual Base Assessment accordingly, as Declarant deems fit and proper, however, Declarant shall not be permitted to recover any amounts paid by Declarant to cover the "budget deficit." The Base Assessment outlined in this paragraph shall be adjusted according to the number of months remaining in the fiscal year at the time a Lot is transferred to an Owner other than Declarant, or an affiliate of Declarant

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

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

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

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

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

8.2. Budgeting for Reserves.

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

8.3. Special Assessments.

In addition to other authorized assessments, the Association may levy Special Assessments to cover unbudgeted expenses or expenses in excess of the amount budgeted. Any such Special Assessment may be levied against the entire membership, if such Special Assessment is for Common Expenses. Except as otherwise specifically provided in this Declaration, any Special Assessment shall require the unanimous vote or written consent of the Board of Directors. Prior to the Board consider and approving any increases in assessments and/or levying of special assessments, the Board must do so in an open meeting for which prior notice was given to Owners in compliance with the Texas Property Code. Special Assessments shall be payable in such manner and at such times as determined by the Board and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved.

8.4. Specific Assessments.

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

(a) to cover the costs, including overhead and administrative costs, of providing services to a Lot upon request of an Owner pursuant to any menu of special services which may be offered by the Association (which might include the items identified in Section 7.8). Specific Assessments for special services may be levied in advance of the provision of the requested service; and

(b) to cover costs incurred in bringing a Lot into compliance with the Governing Documents, or costs incurred as a consequence of the conduct (or the failure to act) of the Owner or occupant of a Lot, their agents, contractors, employees, licensees, invitees, or guests; provided, the Board shall give the Lot Owner prior written notice and an opportunity for a hearing, before levying any Specific Assessment under this subsection (b).

8.5. Authority to Assess Owners: Time of Payment.

The Association is hereby authorized to levy assessments as provided for in this Article and elsewhere in the Governing Documents. The obligation to pay assessments shall commence for each Lot on the date the first Lot is sold by Declarant to an Owner; provided, if any Recorded Supplemental Declaration specifies a different date for the commencement of assessments against

a portion of The Resort, such date shall control the issue with respect to the property covered by such Recorded Supplemental Declaration. The first annual Base Assessment levied on each Lot shall be adjusted according to the number of months remaining in the fiscal year at the time assessments commence on the Lot.

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

8.6. Liability for and Enforcement of Assessments.

(a) Personal Obligation. Each Owner shall be personally liable for all Assessments imposed against the Owner's Lot during the time it owns a Lot.

(b) Reservation, Subordination, and Enforcement of Assessment Lien. Declarant hereby reserves for the benefit of itself and the Association, a continuing contractual lien (the "Assessment Lien") against each Lot located on such Declarant portion of the Property to secure payment of (1) the Assessments imposed hereunder and (2) payment of any amounts expended by such Declarant or the Association in performing a defaulting Owner's obligations. THE OBLIGATION TO PAY ASSESSMENTS IN THE MANNER PROVIDED FOR IN THIS ARTICLE, TOGETHER WITH INTEREST FROM SUCH DUE DATE AT THE DEFAULT INTEREST RATE SET FORTH IN THIS DECLARATION, THE CHARGES MADE AS AUTHORIZED IN THIS DECLARATION, ALL VIOLATION FINES AND THE COSTS OF COLLECTION, INCLUDING, BUT NOT LIMITED TO, REASONABLE ATTORNEYS' FEES, IS SECURED BY A CONTINUING CONTRACTUAL ASSESSMENT LIEN AND CHARGE ON THE LOT COVERED BY SUCH ASSESSMENT, WHICH SHALL BIND SUCH LOT AND THE OWNERS THEREOF AND THEIR HEIRS, SUCCESSORS, DEVISEES, PERSONAL REPRESENTATIVES AND ASSIGNEES. The continuing contractual Assessment Lien shall attach to the Lots as of the date of the recording in this Declaration in the Official Public Records of Tarrant County, Texas, and such Assessment Lien shall be superior to all other liens except as otherwise provided in this Declaration. Each Owner, by accepting conveyance of a Lot, shall be deemed to have agreed to pay the Assessments herein provided for and to the reservation of the Assessment Lien. The Assessment Lien shall be subordinate only to the liens of any valid first lien mortgage or deed of trust encumbering a particular Lot. Sale or transfer of any Lot shall not affect the Assessment Lien. However, the sale or transfer of any Lot pursuant to a first mortgage or deed of trust foreclosure (whether by exercise of power of sale or otherwise) or any proceeding in lieu thereof, shall only extinguish the Assessment Lien as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability and the Assessment Lien for any Assessments thereafter becoming due. The Assessment Lien may be non-judicially foreclosed by power of sale in accordance with the provisions of Section 51.002 of the Texas Property Code (or any successor provision) or may be enforced judicially. Each Owner, by

accepting conveyance of a Lot, expressly grants the Association a power of sale in connection with the foreclosure of the Assessment Lien. The Board is empowered to appoint a trustee, who may be a member of the Board, to exercise the powers of the Association to non-judicially foreclose the Assessments Lien in the manner provided for in Section 51.002 of the Texas Property Code (or any successor statute). The Association, through duly authorized agents, shall have the power to bid on the Lot at foreclosure sale and to acquire and hold, lease, mortgage and convey the same. The rights and remedies set forth in this Declaration are subject to the Texas Residential Property Owners Protection Act, as amended from time to time (Texas Property Code, Section 209.001 *et seq.*).

(c) Notice of Delinquency or Payment. The Association, the Association's attorney or the Declarant may file notice (a "Notice of Unpaid Assessments") of any delinquency in payment of any Assessment in the Records of Tarrant County, Texas. THE ASSESSMENT LIEN MAY BE ENFORCED BY FORECLOSURE OF THE ASSESSMENT LIEN UPON THE DEFAULTING OWNER'S LOT BY THE ASSOCIATION SUBSEQUENT TO THE RECORDING OF THE NOTICE OF UNPAID ASSESSMENTS EITHER BY JUDICIAL FORECLOSURE OR BY NONJUDICIAL FORECLOSURE THROUGH A PUBLIC SALE IN LIKE MANNER AS A MORTGAGE ON REAL PROPERTY IN ACCORDANCE WITH THE TEXAS PROPERTY CODE, AS SUCH MAY BE REVISED, AMENDED, SUPPLEMENTED OR REPLACED FROM TIME TO TIME. Upon the timely curing of any default for which a notice was recorded by the Association, the Association, through its attorney, is hereby authorized to file of record a release of such notice upon payment by the defaulting Owner of lien, to be determined by the Association but not to exceed the actual cost of preparing and filing a release. Upon request of any Owner, any title company on behalf of such Owner or any Owner's mortgagee, the Board, through its agents, may also issue certificates evidencing the status of payments of Assessments as to any particular Lot (i.e., whether they are current or delinquent and if delinquent, the amount thereof). The Association or its Managing Agent may impose a reasonable fee for furnishing such certificates or statements. No Owner may exempt himself from liability for assessments by non-use of common area, abandonment of a Lot, or any other means. No elimination or abatement of assessments or off-set shall be claimed or allowed for any alleged failure of the Association to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action it takes.

(d) Suit to Recover. The Association may file suit to recover any unpaid Assessment and, in addition to collecting such Assessment and interest thereon, may also recover all expenses reasonably expended in enforcing such obligation, including reasonable attorneys' fees and court costs.

(e) Late Charges and Collection Fees. If any Assessment or any part thereof remains unpaid after fifteen (15) calendar days from and after the due date established by the Board for quarterly assessments or after thirty (30) calendar days after the due date established by the Board for annual assessments, a late charge shall be assessed against the non-paying Owner for each month or any part thereof, that any portion of any Assessment remains unpaid. Should any Assessment be payable in installments, the Association is authorized to accelerate the entire Assessment and demand immediate payment thereof. The late charge shall be in the amount of

Twenty-Five and No/100 Dollars (\$25.00) per month and is payable to the Association. The Association's Managing Agent shall be entitled to charge an Owner a monthly collection fee to compensate Managing Agent for its administrative costs and efforts to collect and process the late payment of Assessments. Additional reasonable fees and charges for Demand Letters sent Certified and/or Certified and Return Receipt Requested may be charged by the Managing Agent but, in no event may exceed Twenty and No/100 Dollars (\$20.00) per Demand Letter Sent. A service charge in the amount of Twenty-Five and No/100 Dollars (\$25.00) shall be charged for each check that is returned because of insufficient funds or any other reason. The amount of late charges and service charges may be adjusted, from time to time, by the Board consistent with any changes in the administrative costs to collect unpaid Assessments or the Association's bank charges by Board resolution. All late charges, collection fees, service charges and attorneys' fees assessed or incurred due to late payment of Assessments shall be charged to an Owner's Assessment account which shall be part of the delinquent Assessment and shall be payable and secured in the same manner as herein provided with regard to Assessments.

(f) Suspension of Voting Rights. To the extent permitted under applicable law, no Owner who is delinquent in paying its Assessments shall have the right to vote as a member of the Association while such delinquency continues.

(g) Suspension of Right to Use Common Area and/or Common Amenities. In addition to the other powers herein granted, the Board may suspend the right of an Owner to use any of the Common Area and/or Common Amenities or Golf Course facilities during the time that such Owner is delinquent in paying any Assessment.

(h) Declarant Obligation to Fund Budget Deficits. During the Class "B" Control Period Declarant shall be obligated to pay the differences between the amount of assessments levied on all Lots subject to assessments and the amount of actual expenditures by the Association during the fiscal year (the "budget deficit"). The Declarant will have no obligation to fund the "budget deficit" unless and until the Association has used all funds including reserves to pay the amount of actual expenditures. After the Class "B" Control Period, Declarant may elect to pay assessments on each of its unsold Lots in the same manner as any other Owner or continue to pay the budget deficit. If Declarant elects to pay assessments on each Lot and, after such payment, a shortage "budget deficit" exists, Declarant may, but shall not be obligated to, pay such shortage "budget deficit." Unless Declarant notifies the Board in writing within thirty (30) days before the beginning of each fiscal year, Declarant shall be deemed to have elected to continue to pay on the same basis as during the preceding year. Declarant's obligations may also be satisfied in the form of contributions of services or materials, or by any combination of these upon written mutual agreement between the Declarant and the Association.

8.7. Lien for Assessments.

The Association may bid for the Lot at the foreclosure sale and acquire, hold, lease, mortgage, and convey the Lot. While a Lot is owned by the Association following foreclosure: (a)

no right to vote shall be exercised on its behalf; (b) no assessment shall be levied on it; and (c) each other Lot shall be charged, in addition to its usual assessment, its pro rata share of the assessment that would have been charged such Lot had it not been acquired by the Association. The Association may sue for unpaid assessments and other charges authorized hereunder without foreclosing or waiving the lien securing the same.

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

8.8. Exempt Property.

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

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

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

8.9. Capital Reserve/Improvement Contribution.

Upon the sale of record title to a Lot by any Owner other than the Declarant or a Builder, a contribution equal for the calendar year 2017 to Five Hundred Dollars (\$500.00) and in each calendar year thereafter such other amount as determined by the Board as being reasonable and appropriate to fund reserves to meet projected needs of the "Capital Reserve/Improvement Fund" (herein so called) of the Association in connection with the Board's budgeting and finance activities contemplated under Article VIII of this Declaration (such amount being herein referred to as a "Capital Reserve/Improvement Fund Contribution"). The Capital Reserve/Improvement Fund Contribution is non-refundable, shall be in addition to, not in lieu of, the Maintenance Assessment levied on the Lot and shall not be considered an advance payment of any portion hereof. The Capital Reserve/Improvement Fund Contribution shall be deposited into escrow in connection with a closing of a Lot and from there disbursed to the Association or to the applicable Declarant if the Association is not yet established and shall be used for the payment of capital

improvements, or repair and/or maintenance thereof, or any use or services required by the Association pursuant to the terms of this Declaration and the Governing Documents. The Capital Reserve/Improvement Fund Contribution amount shall be reviewed annually by the Board and may be increased or decreased by the Board, without restriction, in accordance with the terms hereof.

8.10. Transfer Fees and Fees for Issuance of Resale Certificates.

The Board may, at its sole discretion; enter into a contract with a Managing Agent to oversee the daily operation and management of the Association. The Managing Agent may, and probably will, have fees, which will be charged to an Owner for the transfer of a significant estate or fee simple title to a Lot and the issuance of a "Resale Certificate" (herein so called). The Association or its agent shall not be required to issue a Resale Certificate until payment for the cost thereof has been received by the Association or its agent. Transfer fees and fees for the issuance of a Resale Certificate shall in no event exceed the greater of (i) two-thirds (2/3rds) of the current annual rate of Maintenance Assessment applicable at the time of the transfer/sale, or (ii) \$750.00 for each home being conveyed and are not refundable and may not be regarded as a prepayment of or credit against regular or special assessments, and are in addition to the contribution to the Capital Reserve/Improvement Fund in Section 6.5(i) above. This Section does not obligate the Board or any third party to levy such fees.

PART FOUR: COMMUNITY DEVELOPMENT

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

ARTICLE IX **EXPANSION OF THE RESORT**

9.1. Expansion by Declarant.

Declarant may from time to time, include additional real property to this Declaration by Recording a Supplemental Declaration describing the additional property to be included. A Supplemental Declaration Recorded pursuant to this Section shall not require the consent of any Person except the owner of such supplemented property, if other than Declarant.

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

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

9.2. Expansion by the Association.

The Association may subject additional property to the provisions of this Declaration by Recording a Supplemental Declaration describing the additional property. Any such Supplemental Declaration shall require the affirmative vote of Members representing more than 51% 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, 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. No Owners nor Members, including but not limited to the Board, may interfere with ongoing construction, marketing, and/or advertisement of Lots during the Class “B” Control Period.

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 Bylaws 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 Bylaws. 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 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.

If any Owner fails to maintain the condition of its Lot, the landscaping thereon, including the prompt removal of damaged or deceased trees and shrubs, or the Residence or other Structures thereon as contemplated by this Declaration and its amendments and/or supplements thereto, and fails to take action to correct such defect within ten (10) days after the Declarant or the Association has furnished written notice thereof to such Owner, then the Owner of such Lot hereby grants permission to the Declarant or Association (or its duly authorized agents) to enter upon such Lot and perform those duties which the Owner failed to perform without liability whatsoever to such Owner or any Person for trespass, conversion, or any claim for damages. The cost of performing such duties shall be added to the Owner's assessment account as a Specific Assessment, be payable upon demand, and shall be secured by the lien provided for in Article VIII.

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

Any Owner may extend the rights of use and enjoyment hereunder to the members of such Owner's family, lessees, and social invitees, as applicable, subject to reasonable regulation by the Board.

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

11.2. Easements of Encroachment.

Declarant grants reciprocal appurtenant easements of encroachment, and for maintenance and use of any permitted encroachment, between each Lot and any adjacent Common Area and between adjacent Lots due to the unintentional placement or settling or shifting of the

improvements constructed, reconstructed, or altered thereon (in accordance with the terms of these restrictions) to a distance of not more than three feet, as measured from any point on the common boundary along a line perpendicular to such boundary. However, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of, or with the knowledge and consent of, the Person claiming the benefit of such easement.

11.3. Easements for Utilities. Etc.

(a) Installation and Maintenance. Declarant reserves for itself, so long as Declarant owns any property described in Exhibit "A" of this Declaration, and grants to the Association and all utility providers, perpetual non-exclusive easements throughout The Resort (but not through a structure) to the extent reasonably necessary for the purpose of:

(i) installing utilities and infrastructure to serve The Resort, cable and other systems for sending and receiving data and/or other electronic signals, security and similar systems, walkways, pathways and trails, drainage systems, street lights and signage on property which Declarant owns or within public rights-of-way or easements reserved for such purpose on Recorded plats;

(ii) inspecting, maintaining, repairing and replacing the utilities, infrastructure and other improvements described in Section 1.3(a)(i); and

(iii) access to read utility meters.

(b) Specific Easements. Declarant also reserves for itself the non-exclusive right and power to grant and Record such specific easements as may be necessary, in the sole discretion of Declarant, in connection with the orderly development of The Resort. The Owner of any Property to be burdened by any easement granted pursuant to this subsection (b), if other than Declarant or the Association, shall be given written notice and the opportunity to disapprove in advance of the grant.

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

11.4. Easements to Serve Additional Property.

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

and egress over the Common Area for construction of roads and for connecting and installing utilities on such 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 Article VII. 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 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.

(a) 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.

(b) By way of purchase of a Lot in the Resort, each Owner acknowledges and affirms that the Association is obligated to maintain such drainage easements, culverts, swells, or other drainage items on certain streets in which the right-of-way extends 10 to 20 feet into each Owner's Lot. The Owner is prohibited from altering, modifying, and/or obstructing the Association's drainage easement, including but not limited to the placement of rocks, grass, shrubs, or any other item in the drainage easement. In the instance that an Owner alters, modifies, and/or obstructs such easement and/or designated easement area, the Association has the right to enter upon the easement and remove such alteration, modification, and/or obstruction, at the sole expense of the Owner. In the event a modification and/or alteration was previously approved by the ARC and/or Board, but later impedes upon the function of the drainage easement, the Association may enter upon the easement and order such modification and/or alteration to be removed at the sole expense of the Owner.

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) Bound Parties. Declarant, the Association, Owners, residents, and all other parties subject to this Declaration ("Bound Party", or collectively, the "Bound Parties"), agree that it is in the best interest of all concerned to encourage the amicable resolution of disputes involving the

Property 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 Section in a good faith effort to resolve such Claim.

(b) Claim(s). As used in this Article, the term “Claim” or “Claims” will refer to any claim, grievance or dispute arising out of or relating to:

(i) Claims relating to the rights and/or duties of Declarant, the Association or an Owner under the Restrictions; or

(ii) Claims relating to the design or construction of Improvements on the Common Areas or Lots, other than matters of aesthetic judgment, which will not be subject to review.

(c) Not Considered Claims. The following will not be considered “Claims” for purposes of this Article unless all parties to the matter otherwise agree to submit the matter to the procedures set forth herein:

(i) any legal proceeding by the Association to collect assessments or other amounts due from any Owner;

(ii) any legal proceeding by the Association to obtain a temporary restraining order (or emergency equitable relief) 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 this Restrictions;

(iii) any legal proceeding which does not include Declarant or the Association as a party, if such action asserts a Claim which would constitute a cause of action independent of the Restrictions; and

(iv) any action by the Association to enforce the Declaration or Governing Documents.

12.2. Notice.

(a) Notice Requirements for All Claims. The Bound Party asserting a Claim (“Claimant”) against another Bound Party (“Respondent”) (the Claimant and Respondent referred to herein being individually, as a “Party”; or, collectively, as the “Parties”) shall notify each Respondent in writing of the Claim (the “Notice”), stating plainly and concisely:

(i) the nature of the Claim, including date, time, location, persons involved, and Respondent’s role in the Claim;

(ii) the basis of the Claim (i.e., the provision of the Restrictions or other authority out of which the Claim arises);

(iii) what Claimant wants Respondent to do or not do to resolve the Claim; and

(iv) that the Notice is given pursuant to this Section.

12.3. Negotiations and Mediation.

Claimant and Respondent will 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 negotiation.

12.4. Mediation.

If the parties negotiate, but do not resolve the Claim through negotiation within one-hundred twenty (120) days from the date of the Notice (or within such other period as may be agreed on by the parties), Claimant will have thirty (30) additional days within which to submit the Claim to mediation under the auspices of a mediation center or individual mediator on which the parties mutually agree.

12.5. Termination of Mediation.

If the Parties do not settle the Claim within thirty (30) days after submission to mediation, or within a time deemed reasonable by the mediator, the mediator will issue a notice of termination of the mediation proceedings indicating that the Parties are at an impasse and the date that mediation was terminated.

Each party shall bear its own costs of the mediation, including attorneys' fees, and each Party shall share equally all charges rendered by the mediator. If the Parties agree to a resolution of any Claim through negotiations or mediation in accordance with this Section and any Party thereafter fails to abide by the terms of such agreement, then any other Party may file suit or initiate arbitration 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 shall be entitled to recover from the non-complying Party (or if more than one non-complying Party, from all such Parties pro rata) all costs incurred in enforcing such agreement, including, without limitation, attorneys' fees and court costs.

12.6. Binding Arbitration Claims.

All Claims must be settled by binding arbitration. Claimant or Respondent may, by summary proceedings (e.g., a plea in abatement or motion to stay further proceedings), bring an action in court to compel arbitration of any Claim not referred to arbitration as required by this Section.

12.7. Governing Rules.

If a Claim has not been resolved after Mediation as required by this Article, the Claim will be resolved by binding arbitration in accordance with the terms of this Section and the rules and

procedures of the American Arbitration Association (“AAA”) or, if the AAA is unable or unwilling to act as the arbitrator, then the arbitration shall be conducted by another neutral reputable arbitration service selected by Respondent. Regardless of what entity or person is acting as the arbitrator, the arbitration shall be conducted in accordance with the AAA’s Commercial or Construction Industry Dispute Resolution Procedures, as appropriate and, if they apply to the disagreement, the rules contained in the Supplementary Procedures for Consumer-Related Disputes. Judgment upon the award rendered by the arbitrator shall be binding and not subject to appeal, but may be reduced to judgment in any court having jurisdiction. Notwithstanding any provision to the contrary or any applicable rules for arbitration, any arbitration with respect to Claims arising hereunder shall be conducted by a panel of three (3) arbitrators.

(a) Exceptions to Arbitration; Preservation of Remedies. No provision of, nor the exercise of any rights under, this Section will limit the right of Claimant or Respondent, and Claimant and the Respondent will have the right during any Claim, to seek, use, and employ ancillary or preliminary remedies, judicial or otherwise, for the purposes of realizing upon, preserving, or protecting upon any property, real or personal, that is involved in a Claim, including, without limitation, rights and remedies relating to: (i) exercising self-help remedies (including set-off rights); or (ii) obtaining provisions or ancillary remedies such as injunctive relief, sequestration, attachment, garnishment, or the appointment of a receiver from a court having jurisdiction before, during, or after the pendency of any arbitration. The institution and maintenance of an action for judicial relief or pursuit of provisional or ancillary remedies or exercise of self-help remedies shall not constitute a waiver of the right of any party to submit the Claim to arbitration nor render inapplicable the compulsory arbitration provisions hereof.

(b) Statute of Limitations. All statutes of limitations that would otherwise be applicable shall apply to any arbitration proceeding under this Section, and to the fullest extent allowed under law, any action, lawsuit and/or claim whatsoever initiated by the Association or its assigns, regardless of form, that arises from or relates to this Declaration, the Property, the Subdivision, the Lots, the residences, the improvements or otherwise is barred unless it is brought not later than two (2) years and one (1) day from the date the cause of action accrues.

(c) Scope of Award; Modification or Vacation of Award. The arbitrator shall resolve all Claims in accordance with the applicable substantive law except as provided by this Section. The arbitrator may grant any remedy or relief that the arbitrator deem just and equitable and within the scope of this Section but subject to Section 12.14 below (attorney’s fees and costs may not be awarded). In all arbitration proceedings the arbitrator shall make specific, written findings of fact and conclusions of law. In no event may an arbitrator award speculative, consequential, special, indirect, lost profit or punitive damages for any Claim.

12.8. Allocation of Costs.

Notwithstanding any provision in this Declaration to the contrary, each Party bears all of its own costs incurred prior to and during the proceedings described in the Notice, Negotiation, Mediation, and Arbitration sections above, including its attorney’s fees. For avoidance of doubt, the prevailing party in any Arbitration shall not recover any attorneys’ fees, expenses, or costs. Respondent and Claimant will equally divide all expenses and fees charged by the mediator and arbitrator.

12.9. Limitation on Damages.

NOTWITHSTANDING ANY PROVISION CONTAINED IN THIS DECLARATION OR ANY OF THE ASSOCIATION DOCUMENTS TO THE CONTRARY, IN NO EVENT SHALL DECLARANT OR THE ASSOCIATION BE LIABLE FOR SPECULATIVE, CONSEQUENTIAL, SPECIAL, INDIRECT, LOST PROFIT OR PUNITIVE DAMAGES IN CONNECTION WITH ANY CLAIM, EVEN IF DUE TO THE NEGLIGENCE OF DECLARANT OR THE ASSOCIATION.

ARTICLE XIII **GOLF COURSE**

13.1. General.

The Golf Course is semi-private property that is not owned by the Association. The Declarant, owner, lessee, manager, or operators of the Golf Course shall have the right, from time to time in their sole and absolute discretion and without notice, to amend or waive the terms and conditions of use of the Golf Course, including, without limitation, establishment and modification of use fees, eligibility for and duration of use rights, categories of use and extent of use privileges, and number of users, and shall also have the right to reserve use rights and to terminate use rights altogether, subject to the terms of any written agreements with their respective members.

13.2. View Impairment.

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

13.3. Rights of Access and Parking.

There is hereby established for the benefit of the Golf Course, its guests, invitees, employees, agents, contractors, and designees, a right and nonexclusive easement of access and use over all roadways located within The Resort reasonably necessary to travel between the entrance to The Resort and the Golf Course and over those portions of The Resort (whether Common Area or otherwise) reasonably necessary to the operation, maintenance, repair, and replacement of the Golf

Course. Without limiting the generality of the foregoing, guests and invitees of the Golf Course shall have the right to park their vehicles on the roadways located within The Resort at reasonable times before, during, and after tournaments and other similar functions held by or at the Golf Course to the extent that the Golf Course has insufficient parking to accommodate such vehicles.

13.4. Easements for Golf Course.

The following easements apply only to the Golf Course:

(a) The owner(s) of the Golf Course, their respective lessees, agents, successors, and assigns, shall have non-exclusive easements over The Resort as necessary for ingress and egress, utilities, and such other purposes as may be reasonably necessary or convenient to the establishment, operation, maintenance, repair, and replacement of the Golf Course. Such agreement shall include, but not be limited to, the creation of noise relating to the normal maintenance and operation of the Golf Course. The benefited parties shall be obligated to use due care in the exercise of such easement rights.

(b) Every Lot and the Common Area is burdened with an easement permitting: (i) the flight of golf balls over, across, and upon such property; and (ii) golf balls unintentionally to come upon such areas. Golfers, at reasonable times and in a reasonable manner may come upon the Common Area to retrieve golf balls. The existence of this easement shall not relieve golfers of liability for damage caused by errant golf balls.

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

(c) Any portion of The Resort which is immediately adjacent to the Golf Course is hereby burdened with a non-exclusive easement in favor of the adjacent Golf Course for overspray of water, pesticides, and chemicals from the irrigation system serving the Golf Course.

(c) The lessee, manager, or operator of the Golf Course, their respective agents; employees, contractors, successors, and assigns, shall have a perpetual non-exclusive easement, to the extent reasonably necessary, over The Resort, for the installation, operation, maintenance, repair, replacement, observation, and control of the entire irrigation system and equipment serving all or portions of the Golf Course.

13.5. Assumption of Risk and Indemnification.

Each Owner, by its purchase of a parcel of a Lot in The Resort, acknowledges the inherent dangers associated with living in proximity to the Golf Course and hereby expressly assumes the risk of personal injury, property damage, or other loss caused by maintenance, operation, and general use of the Golf Course, including, without limitation: (a) noise from maintenance equipment (it being specifically understood that such maintenance typically takes place around or

before sunrise or after sunset); (b) noise caused by golfers; (c) use of pesticides, herbicides, and fertilizers; (d) view restrictions caused by maturation of trees and shrubbery, the construction of berms, or the regrading of the Golf Course, (e) use of effluent in the irrigation of the Golf Course; (f) reduction in privacy caused by constant golf traffic on the Golf Course or the removal or pruning of shrubbery or trees on the Golf Course; (g) errant golf balls and golf clubs; and (h) design or redesign of the Golf Course. ARC approval is required for the installation of netting on any Lot bordering the Golf Course. In the instance that netting is approved, the Owner agrees to maintain the netting in the utmost manner and upkeep.

Each such Owner agrees that neither Declarant; any successor Declarant; any Builder; the Association; any entity leasing, managing, or operating the Golf Course; any officer, director or partner of any of the foregoing, or any officer or director of any partner; or any organizer or sponsor of any tournament or special event (collectively, for purposes of this Section 13.5, the "Released 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 Golf course, the management of the Golf Course, or the exercise of the easement rights set forth in this Article XIII, even if such loss, damage, or injury is caused in whole or in part by the negligence of any of the Released Parties. THE FOREGOING RELEASE IS INTENDED TO RELEASE THE RELEASED PARTIES FROM AND AGAINST THEIR OWN NEGLIGENCE.

ARTICLE XIV **MORTGAGEE PROVISIONS**

14.1. No Priority.

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

14.2. Notice to Association.

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

PART SEVEN: CHANGES IN THE COMMUNITY

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

ARTICLE XV **CHANGES IN OWNERSHIP OF LOTS**

Any Owner desiring to sell or otherwise transfer title to a Lot shall give the Board written

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

ARTICLE XVI
CHANGES IN COMMON AREA

16.1. Condemnation.

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

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

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

16.2. Partition.

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

16.3. Transfer or Dedication of Common Area.

The Association may only dedicate, transfer, or mortgage portions of the Common Area with the approval of 51% 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.

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 of the following:

- (a) Terminate any existing dedicatory instrument of the Association or amend the Declaration, Bylaws, Design Guidelines, or Rules and Regulations, including the adoption of any new policy, rules, regulations or other dedicatory instrument;
- (b) Change the amount of any assessment or levy a special assessment;
- (c) Approve capital improvements, use reserve funds, or cause a change in banking arrangements of the Association;
- (d) Approve or amend any budget;
- (e) Approve major repairs or improvements to Common Areas or any structure, easement, or other areas of the Association in which Developer may have a vested interest or responsibility;
- (f) Change the number of Directors, remove or appoint a Director outside the election process, remove an Officer, appoint Officers, appoint individuals to a Committee, or charter a Committee;
- (g) Terminate or renegotiate any existing contract to which the Association is a party;
- (h) Engage in legal proceedings of any kind save and except foreclosures for unpaid assessments;

- (i) Interfere with Builders or the ARC approval process in place for new construction;
- (j) Interfere with the Golf Course and/or its operations;
- (k) Dissolve the Association.

Any action taken by the Board of Directors on any of the items described above without the prior, written consent of the Declarant shall be deemed void ab initio, although the Developer may subsequently ratify such actions. Declarant reserves the right, to be exercised in its sole and absolute discretion, to remove any Director and appoint a new Director at any time, and from time to time, without consent or joinder of the Board of Directors should a Director attempt to or actually engages in any action which violates or interferes with the Declarant's rights and its authority under the Declaration and Bylaws.

In the event this Article XVII conflicts, in whole or in part, with any provision contained in these Governing Documents, the terms and conditions of this Article XVII shall control.

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 such rights of enforcement shall revert to the Association as well as all Owners as otherwise provided herein.

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 51% of the total Class "A" votes in the Association, including 51% 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 Bylaws, it will be conclusively presumed that such Owner has the authority to consent, and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such

amendment.

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

17.4. Exhibits.

The following documents shall be included as Governing Documents as referenced in Article II of this Declaration and be listed as Exhibits thereto.

Exhibit "A" is a legal description of the Resort;

Exhibit "B" is the Certificate of Formation for the Resort;

Exhibit "C" is the Amended and Restated Design Guidelines for the Resort

Exhibit "D" is the Amended Rules and Regulations for the Resort; and

Exhibit "E" is the Bylaws and First Amended Bylaws for the Resort.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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: Pars Investments, Inc.,
A Texas corporation,
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 _____ day of December 2, 2020, by Mehrdad Moayed, President of Pars Investments, 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.

Trevor Kollinger
Notary Public, State of Texas

My Commission Expires:

01-05-21

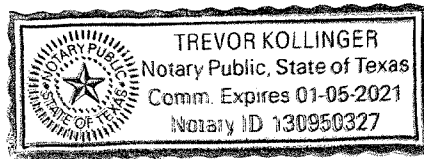


EXHIBIT A
LEGAL DESCRIPTION
FOR
THE RESORT AT EAGLE MOUNTAIN LAKE
HOMEOWNERS ASSOCIATION, INC.

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

THENCE South no degrees 12 minutes 22 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 degrees 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 degrees 59 minutes 21 seconds West 218-07/100 feet;
 North 85 degrees 59 minutes 21 seconds West 800-97/100 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 39 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

Exhibit "A" - Page 1

5/8 inch iron for corner of said 322-81/100 acres tract;
 North 75 degrees 38 minutes 55 seconds West, at 92-4/10 feet
 pass a 5/8 inch iron, in all 357-18/100 feet to a 5/8 inch
 iron for corner of said 322-81/100 acres tract;
 North 46 degrees 36 minutes 30 seconds West 226-30/100 feet
 to a 5/8 inch iron for corner of said 322-81/100 acres tract;
 North 55 degrees 44 minutes 30 seconds West 9-01/100 feet to
 a 2 inch pipe with brass cap marked "TR-6" for the westerly
 southwest corner of said 322-81/100 acres tract;

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

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

THENCE southeasterly along elevation 649 feet for the
 southwesterly line of said Tract 2;

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

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

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

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

Exhibit "A" - Page 2

inch iron for reentrant 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

G.F. No. 235720SBC
 Form No. 020

TRACT II:

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

COMMENCE at a 2 inch pipe for the Northwest corner of the tract described in the deed to Harston Gravel Company, Inc. recorded in Volume 8133, Page 24 of the said 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 187-18/100 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 65 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 Westerly line of

Exhibit "A" - Page 4

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:

Parts 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 Harston 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;

Exhibit "A" - Page 5

G.F. No. 2410748BC
Form No. 020

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 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 recorded in Volume 1083, 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 and 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

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;

Exhibit "A" - Page 7

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

North 50 degrees East 55 feet;
 North 4 degrees East 90 feet;
 North 43 degrees East 81 feet;
 North 11 degrees West 131 feet;
 North 26 degrees East 67 feet;
 South 63 degrees East 153 feet;
 South 43 degrees West 70 feet;
 South 26 degrees East 39 feet;
 South 61 degrees East 73 feet;
 South 26 degrees East 412 feet;
 South 43 degrees East 98 feet;
 South 71 degrees East 136 feet;
 South 70 feet;
 South 48 degrees East 38 feet;
 North 64 degrees East 36 feet;
 South 81 degrees East 55 feet;
 South 48 degrees East 110 feet; and
 South 31 degrees East 63 feet to the PLACE OF BEGINNING and
 containing 20-26/100 acres, more or less.

TRACT V:

A part of the THOMAS ROBINSON SURVEY, ABSTRACT NO. 1309, situated
 in the Northwest part of Tarrant County, Texas; and embracing all
 of Tract No. 4 described in the Deed to the Tarrant County Water
 Control and Improvement District No. 1 recorded in Volume 1083,
 Page 634 of the Deed Records of Tarrant County, Texas and
 described by metes and bounds as follows:

COMMENCING at a 2 inch pipe with brass cap marked "TR-10" for the
 Northwest corner of the 322-81/100 acres tract described in the
 deed to Harston Gravel Company recorded in Volume B183, Page 24 of
 said Deed Records and run South 59 degrees-30 minutes-34 seconds
 West, 2101-03/100 feet to elevation 649 feet mean sea level for
 the boundary of Eagle Mountain Lake and a Northeast and beginning
 corner of the tract being described;

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

Exhibit "A" - Page 8

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

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-58 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. 241074SBC
Form No. 020

South 23 degrees-56 minutes-31 seconds East, 31-37/100 feet;
South 18 degrees-07 minutes-57 seconds West, 18-30/100 feet;
South 38 degrees-36 minutes-28 seconds West, 67-65/100 feet;
South 70 degrees-03 minutes-59 seconds West, 1-24/100 feet;
South 60 degrees-01 minutes-33 seconds West, 75-64/100 feet;
South 62 degrees-41 minutes-08 seconds West, 89-14/100 feet;
South 41 degrees-56 minutes-32 seconds West, 68-16/100 feet;
South 30 degrees-42 minutes-06 seconds West, 98-10/100 feet;
South 22 degrees-44 minutes-59 seconds West, 82-56/100 feet;
South 46 degrees-26 minutes-20 seconds West, 82-39/100 feet;
South 74 degrees-15 minutes-29 seconds West, 51-10/100 feet;
South 78 degrees-28 minutes-18 seconds West, 24-75/100 feet;
North 88 degrees-18 minutes-24 seconds West, 29-15/100 feet;
North 52 degrees-01 minutes-33 seconds West, 36-72/100 feet;
North 50 degrees-29 minutes-47 seconds West, 46-40/100 feet;
North 68 degrees-04 minutes-33 seconds West, 36-83/100 feet;
South 69 degrees-00 minutes-25 seconds West, 61-24/100 feet;
South 80 degrees-45 minutes-03 seconds West, 37-66/100 feet;
North 68 degrees-02 minutes-17 seconds West, 30-82/100 feet;
North 31 degrees-45 minutes-04 seconds West, 42-03/100 feet;
North 42 degrees-05 minutes-05 seconds West, 15-06/100 feet;
North 89 degrees-05 minutes-46 seconds West, 29-06/100 feet;
South 40 degrees-57 minutes-49 seconds West, 12-80/100 feet;
South 79 degrees-12 minutes-39 seconds West, 26-64/100 feet;
North 60 degrees-20 minutes-43 seconds West, 25-19/100 feet;
North 26 degrees-19 minutes-16 seconds West, 26-05/100 feet;
North 29 degrees-46 minutes-20 seconds West, 26-39/100 feet;
South 67 degrees-28 minutes-56 seconds West, 85-34/100 feet;
South 11 degrees-28 minutes-53 seconds West, 79-64/100 feet;

Exhibit "A" - Page 10

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

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.F. No. 241074SBC
Form No. 020

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 VII:

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 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 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 5 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 degrees East 189 feet;

South 75 degrees East 90 feet;

South 41 degrees East 216 feet;

South 60 degrees East 199 feet;

North 44 degrees 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. 2410749BC
Form No. 020

North 27 degrees East 160 feet;
 South 48 degrees East 34 feet;
 South 84 degrees East 37 feet;
 North 36 degrees East 175 feet;
 North 27 degrees East 120 feet;
 North 42 degrees East 182 feet;
 North 67 degrees East 62 feet;
 South 3 degrees East 89 feet;
 South 64 degrees East 67 feet;
 South 29 degrees East 52 feet;
 South 21 degrees West 107 feet;
 South 15 degrees East 317 feet;
 South 34 degrees East 170 feet;
 South 58 degrees East 123-4/10 feet;
 South 70 degrees East 130 feet;
 South 88 degrees East 205 feet; and

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

THENCE South no degrees-01 minutes East, along the East line of said Volume 1169, Page 483 of said Deed Records and a West line of said Gravel Company tract, 512-5/10 feet to a 2 inch pipe for the Southeast corner of said Volume 1169, Page 483 and a reentrant corner of said Gravel Company tract;

THENCE North 88 degrees-57 minutes West, along a North line of said Gravel Company tract, along the South line of said Volume 1169, Page 483 to and along said Volume 1071, Page 523, a distance of 1261-31/100 feet to a 2 inch iron pipe;

THENCE South no degrees-09 minutes West 16-67/100 feet to a 2 inch pipe;

THENCE North 88 degrees-57 minutes West, 800-2/10 feet to a 2 inch pipe for the Southeast corner of said Volume 1071, Page 523 and reentrant corner of Gravel Company tract;

Exhibit "A" - Page 13

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

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

EXHIBIT B

CERTIFICATE OF FORMATION

(ARTICLES OF INCORPORATION)

THE RESORT AT EAGLE MOUNTAIN LAKE

HOMEOWNERS ASSOCIATION, INC.

FILED
In the Office of the
Secretary of State of Texas

JUL 12 1999

ARTICLES OF INCORPORATION

OF

THE RESORT AT EAGLE MOUNTAIN LAKE HOMEOWNERS ASSOCIATION, INC. Corporations Section

A Texas Nonprofit Corporation

I, the undersigned natural person over the age of eighteen (18) years, acting as incorporator of a corporation under the Texas Nonprofit Corporation Act, do hereby adopt the following Articles of Incorporation for the corporation:

ARTICLE 1. PROPERTY HOMEOWNERS ASSOCIATION. The corporation is the "Association" as defined in the Declaration of Covenants, Conditions & Restrictions for The Resort At Eagle Mountain Lake, to be recorded in the Real Property Records of Tarrant County, Texas, as amended from time to time (the "Declaration")

ARTICLE 2. NAME. The name of the Association is The Resort At Eagle Mountain Lake Homeowners Association, Inc..

ARTICLE 3. NONPROFIT. The Association is a nonprofit corporation, organized pursuant to the Nonprofit Corporation Act.

ARTICLE 4. DURATION. The duration of the Association is perpetual.

ARTICLE 5. PURPOSES. The general purposes for which the Association is formed are to exercise the rights and powers and to perform the duties and obligations of the Association, in accordance with the Declaration, the bylaws of the Association, and State law, as each may be amended from time to time

ARTICLE 6. POWERS. In furtherance of its purposes, the Association has the following powers which, unless indicated otherwise by these articles, the Declaration, the bylaws, or State law, may be exercised by the board of directors:

1. All rights and powers conferred on nonprofit corporations by State law in effect from time to time;
2. All rights and powers conferred on property owners associations by State law, in effect from time to time; and

3. All powers necessary, appropriate, or advisable to perform any purpose or duty of the Association as set out in these articles, the bylaws, the Declaration, or State law.

ARTICLE 7. MEMBERSHIP. The Association is a nonstock membership corporation. The Declaration and bylaws will determine the number and qualifications of members of the Association; any classes of membership; the voting rights and other privileges of membership; and the obligations and liabilities of members. Cumulative voting is not allowed.

ARTICLE 8. MANAGEMENT BY BOARD. The management and affairs of the Association are vested in the board of directors, except for those matters expressly reserved to others in the Declaration and bylaws. The bylaws may determine the number and qualification of directors; the term of office of directors, the methods of electing, removing, and replacing directors; and the methods of holding a board meeting and obtaining consents.

ARTICLE 9. LIMITATIONS ON LIABILITY.

a. Except as provided in Paragraph b below, an officer or director of the Association is not liable to the Association or its members for monetary damages for acts or omissions that occur in the person's capacity as an officer or director, except to the extent a person is found liable for: (i) a breach of the officer or director's duty of loyalty to the Association or its members; (ii) an act or omission not in good faith that constitutes a breach of duty of the officer or director to the Association; (iii) an act or omission that involves intentional misconduct or a knowing violation of the law; (iv) a transaction from which the officer or director receives an improper benefit, whether or not the benefit resulted from an action taken within the scope of the person's office; or (v) an act or omission for which the liability of an officer or director is expressly provided by an applicable statute. The liability of officers and directors of the Association may also be limited by the Charitable Immunity and Liability Act of 1987, Chapter 84, Texas Civil Practice and Remedies Code, as amended.

b. The limitation on the liability of an officer or director does not eliminate or modify that person's liability as a member of the Association. The liability of a member arising out of a contract made by the Association, or out of the indemnification of officers or directors, or for damages as a result of injuries arising in connection with the common elements, or for liabilities incurred by the Association, will be limited to the same proportion for which he is liable for common expenses as a member of the Association.

ARTICLE 10. INDEMNIFICATION. Subject to the limitations and requirements of Art. 1396-2.22A of the Nonprofit Corporation Act, the Association will indemnify a person who

was, is, or is threatened to be made a named defendant or respondent in a proceeding because the person is or was an officer or director of the Association. Additionally, the Association may indemnify a person who is or was an employee, trustee, agent, or attorney of the Association, against any liability asserted against him and incurred by him in that capacity and arising out of that capacity.

ARTICLE 11. AMENDMENT OF ARTICLES. These articles may be amended in accordance with the Nonprofit Corporation Act, subject to the following:

1. An amendment may not conflict with the Declaration or State law.
2. An amendment may not impair or dilute a right granted to a person by the Declaration, without that person's written consent.
3. Without member approval, the board of directors may adopt amendments permitted by Art. 1396-4.02.A (4) of the Nonprofit Corporation Act.

ARTICLE 12. AMENDMENT OF BYLAWS. The bylaws of the Association may be amended or repealed according to the amendment provision of the bylaws, which may reserve those powers to the members, exclusively.

ARTICLE 13. DISSOLUTION. The Association may be dissolved only as provided in the Declaration, bylaws, and by State law. On dissolution, the assets of the Association will be distributed in accordance with the Declaration provision for distribution upon termination. If the Declaration has no such provision, then in accordance with applicable law.

ARTICLE 14. ACTION WITHOUT MEETING. Pursuant to Article 1396-9.10.C. of the Nonprofit Corporation Act, any action required by the Nonprofit Corporation Act to be taken at a meeting of the members or directors, or any action that may be taken at a meeting of the members or directors or of any committee may be taken without a meeting if a consent in writing, setting forth the action to be taken, is signed by a sufficient number of members, directors, or committee members as would be necessary to take that action at a meeting at which all of the members, directors, or members of the committee were present and voted.

ARTICLE 15. INITIAL BOARD OF DIRECTORS. The initial board consists of three (3) directors who will serve as directors until their successors are elected and qualified, as provided in the bylaws. The name and address of each initial director is as follows:

<u>Name</u>	<u>Address</u>
Mehrdad Moayedi	1905 Industrial Boulevard, Colleyville, Texas 76034

Robert Maxey
Ross Calhoun

1905 Industrial Boulevard, Colleyville, Texas 76034
1905 Industrial Boulevard, Colleyville, Texas 76034

ARTICLE 16. INITIAL REGISTERED AGENT. The name of the Association's initial registered agent is Charles S. Brown.

ARTICLE 17. OFFICE OF INITIAL REGISTERED AGENT. The address of its initial registered agent is 2425 E. Southlake Blvd., Suite 150, Southlake, Texas 76092.

ARTICLE 18. INCORPORATOR. The name of the incorporator is Charles S. Brown. The incorporator's address is c/o The Brown Law Firm, L.L.P., 2425 E. Southlake Blvd, Suite 150, Southlake, Texas 76092.

SIGNED this the 9 day of July, 1999.

Charles S. Brown
Charles S. Brown

RECORDED

THE BROWN LAW FIRM, L.L.P.

ATTORNEYS AND COUNSELORS AT LAW
2425 EAST SOUTHLAKE BLVD SUITE 150
SOUTHLAKE, TEXAS 76092

METRO TELEPHONE (817) 329-2400
METRO FACSIMILE (817) 481-1766
E-MAIL cbrown@brownlawfirm.com

July 9, 1999

Via Hand Delivery

Mehrdad Moayedi
The Resort At Eagle Mountain Lake, L.P.
1905 Industrial Boulevard
Colleyville, Texas 76034

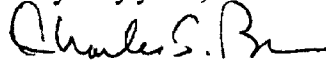
Re: Consent to use the name "The Resort At Eagle Mountain Lake Homeowners Association"

Dear Mr. Moayedi,

As you are aware we are in the process of creating a non profit corporation named The Resort At Eagle Mountain Lake Homeowners Association, Inc.. In order to use the foregoing name, the Texas Secretary of State requires that you consent because of the similarity between the name of the proposed corporation and the above named partnership. Please indicate your approval to use the name The Resort At Eagle Mountain Lake Homeowners Association, Inc. by signing your name below on behalf of the partnership.

I remain

Very truly yours,



Charles S. Brown

Agreed and Approved

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

By: Centurion American Custom Homes, Inc.,
a Texas Corporation, general partner

By: 
Name: Mehrdad Moayedi, President

EXHIBIT C

AMENDED AND RESTATED DESIGN GUIDELINES

FOR

THE RESORT AT EAGLE MOUNTAIN LAKE

HOMEOWNERS ASSOCIATION, INC.

EXHIBIT “C”

AMENDED ARCHITECTURAL RULES FOR THE RESORT AT EAGLE MOUNTAIN LAKE

EFFECTIVE ON NOVEMBER 2, 2020

These Amended Architectural Rules for the Resort at Eagle Mountain Lake are hereby filed as Exhibit “C” to the Second Amended and Restated Declaration for the Resort filed of record with the Tarrant County Clerk of Court.

TABLE OF CONTENTS

SECTION 14

DEFINITIONS4

1.1 "Architectural Rules".....4

1.2 "Flood Hazard Area"4

1.3 "Improvements"4

SECTION 25

APPLICATION REQUIREMENTS5

2.1 Application Required for All Improvements.....5

2.2 Application Required for Maintenance5

2.3 Submit Application in Advance of Meeting.....5

2.4 Approval Period5

2.5 Architectural Approval Before Submission to Appropriate Governing Authority..5

2.6 Application Fee Required.....5

2.7 Architectural Design5

2.8 View Blockage6

2.9 Time Schedule for Construction.....6

2.10 Architectural Plans6

2.11 Landscape Plans.....7

2.12 Engineering and Code Requirements7

2.13 Building Permits Do Not Constitute Approval8

2.14 Contractor Assistance8

2.15 Conflicts of Interest.....8

2.16 Rescinding Approval and/or Cease Construction8

2.17 Deviations from The Rules8

2.18 Amendment to Rules.....8

SECTION 38

REQUIREMENTS AFTER APPROVAL.....8

3.1 No Construction Without Approval.....8

3.2 Approval and Building Permits (if applicable) Must Be Posted.....8

3.3 Approval Conditioned on Signed Construction Agreement8

3.4 Approval Lapses After Six Months9

3.5 Notice of Completion9

SECTION 49

GENERAL CONDITIONS FOR APPROVAL9

4.1 Improvements Limited to Owner’s Lot9

4.2 Building Permits.....9

4.3 Owner Liable for Damage.....9

4.4 Inspections9

4.5 Insurance.....9

4.6 Indemnity.....9

4.7 Approval of Nonconforming Improvements10

4.8 Waiver of Liability10

SECTION 510

ARCHITECTURAL RESTRICTIONS10

5.1 Building Materials.....10

5.2 Minimum Floor Area.....10

5.3 Air Conditioning Units10

5.4 Alteration of Common Area.....10

5.5 Awnings.....10

5.6 Boat Docks11

5.7 Decks11

5.8 Fencing and Walls.....11

5.9 Flag Poles13

5.10 Garages and Driveways.....13

5.11 Landscaping13

5.12 Mailboxes14

5.13 Outdoor Lighting14

5.14 Retaining Walls14

5.15 Painting.....15

5.16 Patio Covers15

5.17 Playground Equipment.....15

5.18 Pools, Swimming Pools and Pool Decks15

5.19 Restricted Construction in Flood Hazard Area15

5.20 Roofing16

5.21 Setbacks and Height Limitations16

5.22 Shoreline Alterations16

5.23 Skylights16

5.24 Solar Heating16

5.25 Statues, Fountains and Artwork16

5.26 Weed Control.....17

5.27 Window Guards17

5.28 Removal of Trees17

5.29 Basketball Goals.....17

5.30 Windows.....18

5.31 Re-platted Lots18

SECTION 618

RESTRICTIONS ON CONSTRUCTION18

6.1 Working Without Approval.....18

6.2 Construction Hours.....18

6.3 Construction Debris.....18

6.4 Cement Work18

6.5 Protection of Street and Sidewalk19

6.6 Construction Hazards.....19

6.7 Security19

6.8 Hydrant Hoses.....19

6.9 Utility Lines19

6.10 No Open Fires19

6.11 Street Maintenance19

SECTION 720

RULES ENFORCEMENT PROCEDURES20

7.1 Owner Responsible for Compliance.....20

7.2 Complaints Must Be in Writing.....20

7.3 Complaints Available for Viewing.....20

7.4 Enforcement20

7.5 Hearing Procedures21

7.6 Attorneys' Fees21

THE RESORT ARCHITECTURAL RULES (“DESIGN GUIDELINES”)

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 Amended Architectural Rules (“Design Guidelines”) are hereby made a part of the Second Amended and Restated Declaration of The Resort and will supersede any prior Design Guidelines filed by the Association. These Design Guidelines were created at the request of the Declarant and are identified as Exhibit “D”, attached to the Second Amended and Restated Declaration filed on behalf of the Association.

The Declaration charges the ARC with the responsibility for reviewing and approving plans for new homes, 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 and/or described as the “Design Guidelines”.

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 twenty-four (24) feet inland from the water line.

1.3 "Improvements" shall mean any additions, changes, modifications or alterations to any part of a Lot. This includes, but is not limited to, modifications or changes to all exterior surfaces and/or areas, including but not limited to, the main residence located on the Lot, landscaping modifications such as adding and/or removing hedges, shrubbery, and trees, colors of paint, installing or altering fences, driveways, screen walls, steps, decks, spas, hot tubs, lap pools, windows and doors, detached structures located on the Lot, vents, mailboxes, hedges, trees and shrubs, antennas, patios, patio covers, balconies, awnings, trimmings, garage doors, permanent barbecues, storage sheds and/or containers, flag poles, outside lights and fixtures, solar panels, wind vanes, external air conditioning equipment, water softeners, etc. Minor landscaping and/or modifications to plants and/or flowers will not require prior ARC approval. All Improvements require notice to the ARC and subsequent approval by the ARC to commence requested Improvements.

SECTION 2

APPLICATION REQUIREMENTS

2.1 Application Required for All Improvements. Any and all exterior modifications, additions, changes, alterations, and/or removal taking place any part of your Lot requires you to submit to the ARC an application with two (2) sets of professionally prepared plans along with appropriate fees and deposits. Further, so long as the Association approves said method, applications may also be filed through the Association portal website provided to all Owners upon purchase of a Lot within The Resort.

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. These types of repairs and/or routine maintenance include items such as repainting the exterior of a structure in accordance with the originally approved color scheme or to rebuild in accordance with originally approved plans and specifications to ensure notice has been provided of the maintenance and/or repairs. 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 thirty (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 as needed and/or necessary. The ARC shall, within thirty (30) days after the scheduled meeting date following submission of the plans, advise the applicant, in writing, of approval, disapproval, and/or additional information or modifications required. If an applicant is requested to provide additional information, he or she must do so within ten (10) days of the ARC's request otherwise the applicant must re-submit the ARC application.

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 to commence modifications, construction, nor repairs before plans are approved by the ARC and all other required authority(ies).

2.6 Application Fee Required. No new construction application or plan will be processed without an application fee and deposit pursuant to Article IV of the Declaration. An application fee may be required for reviewing New Construction plans by a licensed architect or licensed engineer hired by the ARC for review and consideration. These application fees will be non-refundable. Any and all modification requests and/or improvements to Lots will not require an application fee. Applications are available from the ARC.

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 Declaration does not provide for the protection of existing or future views from any Lot located within the community. Therefore, the Association has no legal duty nor obligation to preserve or protect the views of any Owner. However, as a courtesy to your fellow neighbors, consideration should be given to, wherever possible, lessening the impact any improvements may have on the views of neighboring Lots.

2.9 Time Schedule for Construction. The Owner must provide a time schedule for the completion of construction or modification 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 must be submitted for review and approval to the ARC before final working drawings are made. Two sets of drawings are required for each submission. When final approval is granted, one set will be retained by the ARC and one set will be returned. Preliminary and final working drawings must contain the following information:

- a. Plot Plan. Plans must be drawn to scale of 1/8" = 1' and show the layout of the lot with all appropriate dimensions, a north arrow, the top and toe of all slopes, building outlines, roof outline, driveways, walks, fences (including heights), patio areas, pools and other site improvements, including waterline at Lake front, top of original pad (rear yard), etc.

NOTE: Existing Improvements must be marked as "existing" and house locations on adjacent properties must be shown on the Plot Plan drawing.

- b. Floor Plan. 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 Elevation. 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. Lot drainage must be directed to nearby storm drainage systems or contained within one's Lot. Under absolutely no circumstance may drainage be directed onto any neighboring Lots.
- f. Paint Colors. Two color samples (at least two square inches in size) of all colors which are to be used on the exterior of any and all buildings, fences, walls, planters, walkways, trimmings, vents, dormers, flashing, and/or Party Structures as defined in the Declaration must be submitted with the application. Paint colors must resemble earth tones and/or neutral colors conforming with surrounding Lots within The Resort. Under no circumstance may an Owner apply paint colors that are overly obnoxious, bright, and/or subjectively non-conforming to other Lots located within The Resort.
- g. Professionally Prepared. Plans must be professionally prepared and a perspective sketch for design clarification may be required.
- h. Geogrid System. In the instance of a New Construction application where a canal wall, retaining wall, and/or body of water borders the Lot, a geogrid must be included in the ARC application and subsequently installed on the Lot. Under no circumstance may a Builder and/or New Construction be exempt from installing an underground geogrid upon the Lot. All Owners of canal lots or lots with a retaining wall are responsible for all maintenance and repair of the canal wall and geogrid on the Owner's Lot.

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) plan species (common names); (ii) placement (note any and all existing structures, trees, shrubbery, and improvements as "existing"); (iii) size (i.e., 5 gallon, 24" box, etc.); (iv) irrigation system(s); (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 the 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 submission cannot take any part in the decision-making process. Furthermore, any comments by an ARC Member or Board Member outside of a formal meeting will not be construed as an approval.

2.16 Rescinding Approval and/or Cease Construction. The ARC has the right to rescind its approval and/or request a cease construction 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 and/or the Declarant 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 and the Association have 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 is conducted and completed.

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 (6) months from the date of approval. If work is not commenced before the expiration of this period, or if the property is sold, the approval automatically lapses, and plans must be resubmitted for approval by the ARC.

3.5 Notice of Completion. When the work is complete, the Owner must notify the ARC of completion and request for an inspection to be conducted by the ARC. The ARC will review the work and determine whether it subjectively conforms to the approved plans, and if determined to be in conformance, the ARC will sign off on the project.

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 setback as well as take into account any easements which may burden the Lot.

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

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 Declaration, Governing Documents, or the law.

4.4 Inspections. The ARC has the right to periodically inspect the work and will conduct a final inspection before approving the work. Construction will be halted if inspections are not allowed. Such inspections or lack of inspections by the ARC do NOT relieve Owner from his or her duty to comply with the (i) Declaration; (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, nor 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 and must be constructed one hundred percent (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.

5.3 Air Conditioning Units. Location of air conditioning units and condensers shall be approved by the ARC. Types of air conditioning units and condensers shall be approved by the ARC so that the aesthetics and noise and vibration resulting from their operation can be evaluated by the ARC. 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 placed. Size and height of units should be shown on elevation drawings.

(a) *Zero Lot Line Exception.* Any and all residences located on Lots containing a Zero-Lot Line may not install air conditioning units on the zero-lot line side of the Lot.

5.4 Alteration of Common Area. No owner shall, whether at his or her own expense or otherwise, do, make or suffer any alteration, addition or modification to any portion of the Common Areas.

5.5 Awnings. Retractable canvas awnings shall be approved on an individual basis by the ARC. A fabric color sample and sketch must be submitted. The use of bamboo, plastic or metal

sunshades are NOT allowed, nor is reflective/mirror tinting.

5.6 Boat Docks. Installation of or alterations to boat docks require the approval of the ARC, local water district authority, a specialty builder certified and qualified to construct such boat docks, and an engineering report verifying the installation, construction, and integrity of the Boat Dock. This installation and/or alteration shall follow the same procedures for application and approval as for all other improvements within The Resort and these Design Guidelines.

(a) Canal Lots. Any New Construction requires a geogrid be approved and installed by a certified and specialized engineer. The certified and/or specialized engineer must provide a plan for installation with the application for review and consideration by the ARC.

5.7 Decks. Decks, swimming pools, and jacuzzi tubs are subject to ARC Approval.

5.8 Fencing and Walls.

- a. ***Golf Course, Villa Lots, Lakefront Lots, and Canal Lots.*** All mentioned Lots that are adjacent to the Golf Course, Lake and/or Canals must have wrought iron fencing. The wrought iron fencing must be the type, quality and style approved by the ARC, must be consistent throughout the entire Resort, and must be painted with an oil-based, semi-gloss, black paint. The fencing along the entire rear property line and forty feet (40') along each side property line (measured from the rear property line and continuing toward the house) must be wrought iron. All or such Lots must have wrought iron fencing between the house and the side property line so that the view of the Golf Course, Lake, and/or Canals from each street within The Resort shall not be obstructed. Privacy fences may be constructed only along those portions of each side yard from the point which is forty feet (40') from the rear property line to the point where the side yard fence meets the wrought iron fence which runs from the house to the side yard property line. Unless otherwise approved by the ARC, the privacy fence must be wood stockade, not more than eight feet (8') in height and must be weather-protected and stained in a color approved by the ARC. A masonry column of a type, style and of a material approved by the ARC must be constructed at each point of transition between the wrought iron fence and the privacy fence. If there is a height difference in fencing, the height of the privacy fence commencing at the masonry column must be the same height as such masonry column at such point and from such point, the transition in height shall be made in a five-foot (5') span. Except as specifically permitted hereby or as otherwise permitted by the ARC, no wood fence, cyclone fence, dog run or other fence shall be permitted on any part of any Lot which has wrought iron fencing, and the only fences permitted on a Lot with wrought iron fencing are those specifically provided for herein. The purpose of having wrought iron fences is to maintain a visibility corridor to and from each side. Therefore, no fence, trellis or privacy screen of any type shall be placed on or near any wrought iron fence in any way which will obstruct the visibility through the fence from either side, however, landscaping which is not intended to obstruct the view of the golf course, lake or canals is permitted. Fences may not be painted without the approval of the ARC. Affixing

anything to a fence in any manner which is visible to any neighbor or other person within The Resort without the prior written consent of the ARC is prohibited. Fences separating properties shall not extend into any front yard. (See detail illustration for reference only).

(ILLUSTRATION WITHHELD)

- b. **Lots 1-26, Block 5.** All of Lots 1-26 (inclusive), Block 5 of The Resort on Eagle Mountain Lake must have wrought iron fencing. The wrought iron fencing must be the same type, quality and style approved by the ARC pursuant to Section 5.8(a) above and must be consistent throughout the entire Resort in its appearance and must be painted with an oil-based, semi-gloss black paint. The fencing along the entire rear property line and forty feet (40') along each side property line (measured from the rear property line and continuing toward the house) must be wrought iron and all of such lots must also have wrought iron fencing between the house and the side property line as illustrated in Section 5.8(a) above. Privacy fences may be constructed only along those portions of each side yard from the point which is forty feet (40') from the rear property line to the point where the side yard fence meets the wrought iron fence which runs from the house to the side yard property line. Unless otherwise approved by the ARC, the privacy fence must be wood stockade, not more than eight feet (8') in height and must be weather-protected and stained in a color approved by the ARC. A masonry column of a type, style and of a material approved by the ARC must be constructed at each point of transition between the wrought iron fence and the privacy fence. If there is a height difference in fencing, the height of the privacy fence commencing at the masonry column must be the same height as such masonry column at such point and front such point, the transition in height shall be made in a five-foot (5') span. In addition to the masonry column required to be set as provided for in the preceding sentences, a like masonry column of a type, style and of a material approved by the ARC must be constructed at each lot corner among the wrought iron fencing. Except as specifically permitted hereby or as otherwise permitted by the ARC, no wood fence, cyclone fence, dog run or other fence shall be permitted on any part of any lot which has wrought iron fencing, and the only fences permitted on a Lot with wrought iron fencing are those specifically provided for herein. The purpose of having wrought iron fences is to maintain a visibility corridor to and from each side. Therefore, no fence, trellis or privacy screen of any type shall be placed on or near any wrought iron fence in any way which will obstruct the visibility through the fence from either side, however, landscaping which is not intended to obstruct the view is permitted. Fences may not be painted without the approval of the ARC. Affixing anything to a fence in any manner which is visible to any neighbor or other person within The Resort without the prior written consent of the ARC is prohibited. Fences separating properties shall not extend into any front yard.
- c. **Interior Lots.** All Lots (other than Lots 1-26 (inclusive)), Block 5 of The Resort on

Eagle Mountain Lake), which are not adjacent to any part of the golf course, lake or canal may have privacy fences constructed in the rear yards. Unless otherwise approved by the ARC, the privacy fences must be wood stockade of a type, quality, color and style approved by the ARC, must be at least six feet (6') in height but not more than eight feet (8') in height, and must be weather-protected and stained as approved by the ARC. Fences may not be painted without the approval of the ARC. Affixing anything to a fence in any manner which is visible to any neighbor or other person within The Resort without the prior written consent of the ARC is prohibited. Fences separating properties shall not extend into any front yard.

- d. ***Waterfront Retaining Walls.*** Any Owner and/or Lot bordering a body of water and/or the Canal will be maintained, repaired, and the sole obligation of the Owner of said Lot upon which the retaining wall is located. In the instance that an Owner neglects to properly maintain and repair its retaining wall, the Association may levy an Assessment against the Owner pursuant to Article VIII of the Declaration.

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. Front load garages may only be permitted upon written approval of the ARC upon written submittal of plans and specifications for same. Garage Doors are to remain closed at all times when the garage is not being used by the resident. Carports are not permitted.

(a) Front Loading Garage Exception. In the instance that the back portion of a Lot borders the Lake or Canal, an exception may be granted by the ARC for the Lot to maintain a front-loading garage. If a Lot applies to construct a front-loading garage ten (10) feet in height, the garage must be set back a reasonable amount of feet from the bordering street and maintain some type of wall or overhang structure that is aesthetically appealing and provides some type of concealment of the garage door from public view. This exception is subject to review, consideration, and approval from the ARC.

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 thirty (30) days and completed within ninety (90) days after approval. All planted areas shall be provided with 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. Natural grass is the only ground cover permitted along the lake, golf course and canal frontages so as to provide continuity of shoreline appearance between Lots.

- b. Natural Grass Requirement. Natural grass is the only ground cover permitted along the canal frontages so as to provide continuity of appearance between Lots and to prevent damage to the Canal Wall, Geogrid, and French Drain. Grade within fifteen feet (15') of the Canal Wall and French Drain swell cannot be changed from existing grading created during development of Lot.
- c. Artificial Turf Variance. Artificial turf is prohibited absent a variance from the ARC, which may be granted or denied in the sole discretion of the ARC. However, the ARC shall have no authority to approve artificial turf in any area located in front or side yards of the Lot that are visible from public eye and street view. Each Owner understands its drainage and maintenance obligations upon installation of artificial turf and will be held accountable and liable for any present or future damages that may be incurred due to the installed turf.
- d. 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, style 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. Unless 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 and in conformance with all setback and property line requirements. The party making the cut requiring a retaining wall shall be required to construct the retaining wall at its expense and the Association shall not be obligated to provide a retaining wall for any Lot located within The Resort. 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 result in residue entering the street gutters or sewers in The Resort is strictly 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 and/or Villa Lot which is adjacent to the Lake, Golf Course, or Canal. Playground equipment must be approved by the ARC prior to installation. 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. In the instance that an Owner installs playground equipment on his or her Lot without prior written approval from the ARC, the ARC may, in its sole discretion, demand the removal and/or relocation of such equipment at the expense of the individual Owner.

5.18 Pools, Swimming Pools and Pool Decks. Pools, swimming pools and pool decks shall meet all the requirements and 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. A plat of the Lot must be provided to the ARC to confirm the setback lines of the Lot to ensure compliance with the installment of the modification(s) requested. The ARC may also require an inspection of the location beforehand to verify setbacks. The final setback requirements will be determined by the ARC and/or Declarant at its sole discretion. Neither the Association nor ARC will be held liable for any drainage issues resulting from construction of these items on a Lot. The Owner will be obligated to any other Lot Owner or the Association for damages resulting from the construction and/or modification of the items.

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 strictly prohibited within The Resort. All jacks, vents, dormers, and flashing must be painted in blend 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:

- (i) Front Yard. Structures may not be closer than twenty-five (25) feet from the front property line and forty-three feet (43') from the street. Lots located adjacent to rights-of-way must place Structures thirty-five (35) feet from the street.
- (ii) 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.
- (iii) Waiver of Setback Requirements. With expressed written approval of the ARC and subject to plat and zoning restrictions, any building may be located further back from the front property line of a Lot than provided above, where, in the opinion of the Committee, the proposed location of the building will enhance the value and appearance of the Lot and will not negatively impact the appearance of adjoining Lots. This waiver will also apply to any and all improvements placed thereon.

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 shoreline abutting his or her lot in accordance with the specifications contained in the Rules and Regulations attached to the Declaration or as otherwise provided by the ARC and/or Declarant. Failure to promptly repair and replace any areas affected by erosion damage on a Lot will result in fines being levied against the Owner and/or Lot. Repairs of these areas will be strictly enforced by the ARC and the Association.

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. Any and all solar energy devices approved by the ARC must be in accordance with the relevant provisions of the Texas Property Code and Solar Energy Device Policy filed by the Association with the County Clerk of Court. Location and placement of solar energy devices shall be subjectively evaluated by the ARC to ensure conformity with other Lots located within The Resort.

5.25 Statues, Fountains and 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.

5.28 Removal of Trees. No trees nor vegetation within The Resort shall be removed except upon written consent from the Board, Declarant and/or the committee having jurisdiction of this matter. No misuse, abuse, nor obstruction of any trees located within the protected wetland, marshland, and other protected areas located within the Resort will be permitted. In the event of an intentional or unintentional violation of this provision, the violator may be required by the Board, Declarant or the ARC 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 ARC may determine necessary, in its sole discretion, to mitigate the damage. In the instance that a tree is negligently, recklessly, or purposely removed, the Association will mandate the removing party and/or individual to immediately replace and/or replenish the area with replacement trees and vegetation. The removing party will also be held accountable to report to the U.S. Army Corp of Engineers regarding the corrections that may be required for such removal.

5.29 Basketball Goals. Basketball goals may be permitted only on an Owner's Lot, subject to the review and approval of the ARC prior to installation or placement. The ARC may impose limitations on basketball goals and consider several factors in its determination of approval, including but not limited to, the size and configuration of the Lot on which the basketball goal will be placed, proposed location of the basketball goal, proximity of the basketball goal to neighboring Lots, streets, sidewalks and/or Common Areas, and characteristics of the basketball goal (i.e., color, quality, installation, size, etc.). Once a basketball goal is approved for a Lot, such basketball goal, all related equipment, and persons playing basketball, whichever is applicable, shall be required at all times to be:

- (a) Maintained in good repair. If basketball goals become unsafe, unsightly or any other type of nuisance, the Board, in its sole judgment, may require the removal thereof;
- (b) Location. All basketball goals must be used and stored only in those areas approved by the ARC; without limiting the foregoing, basketball goals will be required to be stored in garages or fenced backyard areas of a Lot and shall not be placed or stored on a driveway for any extended period of time; adjustable basketball goals are preferred;
- (c) Aesthetics. All basketball goals must comprise of a clear backboard, black pole, and proper anchoring. Any and all approved portable basketball goals may not be anchored by sandbags, rocks, bricks, and/or any other object or material that is visible from public street view. All portable basketball goals must be anchored by

materials such as anchors and/or straps;

- (d) Common Areas. Use of basketball goals are strictly prohibited from causing damage to any surrounding Common Areas, the Golf Course, landscaping, neighboring Lots, vehicles, structures, and/or signage.

5.30 Windows. On Zero Lot Line Lots only, any windows on the zero-lot line side must be stationary, unable to be opened, opaque, and installed in a horizontal direction only.

5.31 Re-platted Lots. In the instance of a re-platted Lot altering the direction of residences constructed upon an individual Lot, the front lot line will be regarded as where the frontside of the home is facing the street, for purposes of setbacks, fencing, and all other rights provided to an Owner within The Resort.

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 6:00 p.m. Construction may take place on Saturdays upon written approval from the Board of Directors. No construction is permitted on Sunday or the following holidays: New Year's Day, Memorial Day, July 4th, Labor Day, Thanksgiving and Christmas. Daylight savings time may affect these scheduled hours. Permitted Construction Hours are subject to change at the sole discretion of the Board of Directors.

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 workday, 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 wheelbarrow 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 workday.

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 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. Open Fires include any and all burning of construction materials, storm debris, setting off of fireworks, clearing of debris, and any other activity involving an open flame. Open fires do not include prior approved fire pits, barbecues, grills, and/or outdoor fireplaces.

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.

6.12 Construction Access Gate. Construction access gates will be maintained within The Resort for entry and exit of commercial vehicles related to construction such as commercial construction vehicles, cement trucks, and/or tractors within The Resort. This gate is not to be used by any and all Owners and/or invited guests when entering and/or exiting the community. The Association takes no responsibility for any damages, injury, and/or harm incurred by an Owner

and/or invited guest accessing the community through the Construction Access Gate.

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.
- 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 non-complying 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 along with any policy and/or procedure filed on behalf of the Association with the County's Clerk of Court:

- a. Initial Notice. An Initial Notice shall be given either personally or by certified 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 if the violation is not cured; the date in which the violation must be cured by to avoid further levying of fines unless the violation is not of a curable nature or poses a threat to public health and/or safety; the option to request a hearing before the Board to dispute the Initial Notice; and the Owner's right to representation. The Owner will have thirty (30) days to respond to the Initial Notice.
- 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 Owner 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 also 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 upon written confirmation by the Owner and/or the Association.

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.

[SIGNATURE PAGE FOLLOWS THIS PAGE]

IN WITNESS WHEREOF, the undersigned Declarant has executed this Amended Architectural Rules for The Resort at Eagle Mountain Lake on the date and year first written above.

THE RESORT AT EAGLE MOUNTAIN LAKE, L.P., a Texas Limited Partnership

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

By: Mehrdad Moayedi
Mehrdad Moayedi, President

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me, the undersigned authority, on this _____ day of December 2, 2020, by Mehrdad Moayedi, President of Pars Investments, 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.

T. Kollinger
Notary Public, State of Texas

My Commission Expires:
01-05-2021

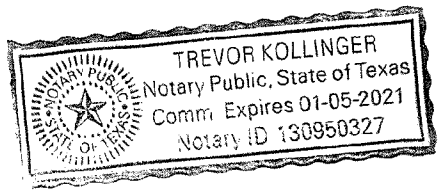


EXHIBIT D

AMENDED AND RESTATED RULES AND REGULATIONS

FOR

THE RESORT AT EAGLE MOUNTAIN LAKE

HOMEOWNERS ASSOCIATION, INC.

Exhibit "D"

AMENDED RULES AND REGULATIONS

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

EFFECTIVE ON NOVEMBER 2, 2020

These Amended Rules and Regulations for the Resort at Eagle Mountain Lake are hereby filed as Exhibit "D" to the Second Amended and Restated Declaration for the Resort filed of record with the Tarrant County Clerk of Court.

TABLE OF CONTENTS

	PAGE
SECTION I	
GENERAL RESTRICTIONS	1
1.1 Antennas and Satellite Dishes	1
1.2 Carpet Cleaning Service	1
1.3 Clothes Drying	1
1.4 Commercial Photography	1
1.5 Electric Bug Lantern	2
1.6 Home Maintenance	2
1.7 Landscape Maintenance	2
1.8 Littering	2
1.9 Mailboxes	2
1.10 Noise	2
1.11 Residential Use Only	3
1.12 Dumping and Removal of Trash and Debris	4
1.13 Signs	4
1.14 Soliciting	5
SECTION 2	
SAFETY AND SECURITY	5
2.1 The Resort is Not Crime Free	5
2.2 Removal of Vehicle Decals	5
2.3 Parties	5
2.4 Playing in the Streets	5
2.5 Graffiti	6
2.6 Curfew	6
2.7 Process Servers	6
2.8 Cooperation with Governmental Agencies	6
SECTION 3	
ENTRY GATE PROCEDURES	6
3.1 Vehicle Decals	6
3.2 Notice of Guests	6
3.3 Notice of Deliveries	6
3.4 Notice of Services and Repairs	6
3.5 Restricted Hours for Vendors	6
SECTION 4	
GENERAL CONDITIONS FOR APPROVAL	7
4.1 Suspension of Driving Privileges	7
4.2 Speed Limit	7
4.3 Fire Hydrants	7

4.4 Automotive Repairs 7

4.5 Prohibited Vehicles 7

4.6 Vehicles Parked on Lots in Public View 7

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 8

4.12 Inoperable Vehicles 8

4.13 Motorcycles, Motor Scooters and Mopeds 8

4.14 Parking 8

4.15 Parking for Parties 9

4.16 Vehicles with Signs 9

4.17 Parking on Streets 9

4.18 Parking Violations 9

4.19 Golf Carts 9

SECTION 5

PET RULES 9

5.1 Type of Pets 9

5.2 Number of Pets 9

5.3 Licenses 10

5.4 Feces Clean Up 10

5.5 Leash Law 10

5.6 Barking and Other Animal Noises 10

5.7 Dangerous Animals 10

5.8 Animal Structures 10

5.9 Mobile Dog Grooming Vans 10

SECTION 6

CONSTRUCTION AND REMODELING 10

6.1 Approval by ARC 11

6.2 Working Without Approval 11

6.3 Non-Vender Work 11

6.4 Construction Schedule 11

6.5 Non-Construction Venders 11

6.6 Emergency Repairs 11

6.7 Construction Debris 11

6.8 Oversized Trash Bin 11

6.9 Contractor Signs 11

6.10 Utility Lines 12

SECTION 7

SALES AND LEASING 12

7.1 Real Estate Agents & Open House 12

7.2 Homes for Sale by Owner 12

7.3 Real Estate Signs 12

7.4 Tenants 12

SECTIONS 8

RESTRICTED USES, RESTRICTED ACTIVITIES AND PROHIBITED CONDITIONS 13

8.1 Temporary Structures and Mobile Homes 13

8.2 Fences 13

8.3 Air Conditioning Units and Similar Equipment 12

8.4 Garage Sales 13

8.5 Pools 15

8.6 Removal of Trees 14

8.7 Unlawful Activities 14

8.8 Drilling 14

8.9 Prohibitions 14

SECTION 9

RULES ENFORCEMENT PROCEDURES 16

9.1 Responsibility for Rules & Regulation Violations 16

9.2 Complaints 16

9.3 Complaints Available for Viewing 16

9.4 Penalties 16

9.5 Hearing Procedures 17

SECTION 10

ASSESSMENT COLLECTION POLICIES 18

10.1 Due Date for Regular Assessments 18

10.2 Due Date for Special Assessments 18

10.3 Delinquencies 18

10.4 Actions to Collect Delinquencies 18

10.5 Crediting of Payments 19

10.6 Offsetting Payments 19

10.7 Disputes Involving Assessments Collection 19

10.8 Attorneys' Fees 19

THE RESORT AT EAGLE MOUNTAIN LAKE AMENDED RULES AND REGULATIONS

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

SECTION I GENERAL RESTRICTIONS

1.1 Antennas and Satellite Dishes. No antenna, satellite dish, wires, cable or telephone lines, or other apparatus for the transmission or reception of television, radio, satellite, or other signals of any kind shall be placed, constructed, maintained or allowed upon any Lot or residence located thereon, without the prior written consent of the Board, unless same is completely contained within the dwelling and is not visible from the Lake, Canal, Golf Course, any street within The Resort, any Common Area, or from any other residence within The Resort. *Prior to the installation* of any antenna, satellite dish, wires, cable or telephone lines, or other apparatus for the transmission or reception of television, radio, satellite, or other signals of any kind, the owner of the Lot or residence on which such item shall be placed must submit to the ARC an application for approval and consent as to the item and the location for placement of same and the ARC shall have sole discretion as to the item and the location for placement of same. The Declarant and/or the Association shall have the right, but shall not be obligated, to erect or install an aerial, satellite dish, master antenna, cable system, or other apparatus for the transmission of television, radio, satellite, internet, or other signals for the benefit of all or a portion of The Resort, and for a charge to the residents using such service.

1.2 Carpet Cleaning Service. Residents are to advise carpet cleaning services that they cannot empty their tanks into the street because the runoff drains into the lake. However, they may empty their tanks onto the owner's lawn.

1.3 Clothes Drying. The drying of clothes in public view or in the view of any neighboring property is strictly prohibited. The Owners and occupants of any Lots having a wrought iron fence may not install outside clotheslines or other outside clothes drying or airing facility on any part of their Lot. The Owners and occupants of any Lots having a backyard which is screened completely by a wood stockade fence may install outside clothesline or other outside clothes drying or airing facility so long as it is not visible from any street, neighboring yard, Golf Course, Lake, Canal or other Common Area.

1.4 Commercial Photography. Commercial photography and videotaping are not

allowed on The Resort at any time without prior written approval of the Board of Directors.

1.5 Electric Bug Lantern. Residents may turn on an electric bug zapper only when they are using their outside patio. The bug lantern must be turned off by 10:00 p.m.

1.6 Home Maintenance. Residents are required to keep their property in good condition at all times. Homes are to be painted regularly (in a color approved by the ARC) and homes shall be maintained in good condition.

1.7 Landscape Maintenance. Lawns, shrubs, plants, bushes or any other plantings must be trimmed and maintained regularly.

- a. ***Walkway Encroachments.*** No landscaping may be allowed to overhang or otherwise encroach on any sidewalk or other pedestrian walkways.
- 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.
- f. ***Live Fencing.*** In the instance that a Lot Owner is provided written approval from the ARC to maintain a live fence on any portion of the Lot, said Lot Owner is obligated to maintain upkeep and appearance of such fencing. The Association, in its sole discretion, may issue notices and/or levy fines if such fencing is not adequately and properly maintained by the Lot Owner.
- g. ***Artificial Turf.*** Any Owner granted a variance to install and maintain artificial turf understands and accepts his or her sole drainage and maintenance obligations over such artificial turf. Any and all maintenance, upkeep, and removal of said artificial turf will be at the sole cost and expense of the Owner.

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.
- 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 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. No residence may be used for short term rental nor transient purposes.

- a. **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.
- c. **Leasing.** Lots may be leased only in their entirety. All leases must be for a minimum period of twelve (12) months unless otherwise approved by the Association expressed in writing. All leases shall be in writing and provide that the terms of the lease are subject to the terms, conditions, and provisions of the Governing Documents. No transient tenants may be accommodated on a Lot. Transient tenants will be regarded as any tenant occupying a Lot for less than twelve (12) months or through a short-term rentals service or other third-party renting the Lot or Residences for a period of less than one (1) year.

1.12 **Dumping and the Removal of Trash and Debris.**

- a. **Dumping and Removal of Brush.** No Lot or other area within The Resort shall be used as a dumping ground for tree branches, brush, grass clippings, trimmings from shrubbery or any other similar matter. No Owner may place tree branches, brush, grass clippings, trimmings from shrubbery or any other similar matter on his Lot more than three (3) days prior to the date on which same shall be picked up and removed from the Lot and properly discarded.
- b. **Dumping and Removal of Rubbish.** No Lot or other area within The Resort shall be used as a dumping ground for rubbish or a site for the accumulation of unsightly materials of any kind, including, without limitation, broken or rusty equipment, disassembled or inoperative cars, other vehicles or discarded appliances, furniture, building materials or any other unsightly matter. No Owner may place any rubbish or unsightly materials including, without limitation, broken or rusty equipment, disassembled or inoperative cars, other vehicles or discarded appliances, furniture or building materials on his Lot for any period of time. Any such items must be hauled off the Lot by the Owner or placed outside for pickup no 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 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.

3.6 Tailgating Other Vehicles. In any instance where a Resident, Owner, Tenant, and/or Invited Guest chooses to tailgate or piggyback behind another vehicle entering through The Resort entry gates, the Association may levy fines and enforcement procedures for failing to properly enter the community. In the instance tailgating and/or piggybacking of another vehicle occurs, the violating vehicle will be held liable for any and all damages incurred to the entry gate by committing such an act.

3.7 Damages to Entry Gates. Any and all damages caused to the Entry Gates will be regarded as damages to the Association's Common Area thereby resulting in immediate enforcement procedures against the damaging party. If damages are incurred by an Invited Guest or Tenant of an Owner, enforcement procedures will be implemented against the Owner.

3.8 Construction Access Gate Prohibitions. Under no circumstance should any Owner, Resident, Tenant, and/or Invited Guest utilize any and all construction gates located within The Resort. The construction gates are to only be utilized by Construction access gates will be maintained within The Resort for entry and exit of commercial vehicles related to construction such as commercial construction vehicles, cement trucks, and/or tractors within The Resort. The Association takes no responsibility for any damages, injury, and/or harm incurred by a Resident, Owner, Tenant, and/or Invited Guest accessing the community through the Construction Access Gate.

SECTION 4 VEHICLES AND PARKING

The Resort is a well-maintained community comprised of private streets surrounding its beautiful golf course, however, contains no sidewalks. With this in mind, The Resort wants to ensure its pedestrians, including children, are protected as they walk and jog along our streets and utilize golf carts on a daily basis upon our streets. Thereby, the following rules within Article IV shall apply to all individuals operating motor vehicles within The Resort including residents, visitors, invited guests, service providers, contractors, and any other motorist located within The Resort.

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. Any and all individuals operating motor vehicles within The Resort, including, but not limited to residents, visitors, invited guests, contractors, service providers, and Golf Course patrons must abide by the restrictions and rules set forth by The Resort. Any and all individuals, including Resident's invited guests, 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 (30) days per infraction.

4.2 Speed Limit. The speed limit within The Resort is twenty-five miles per hour (25 MPH) and applies to all individuals operating any type of permitted vehicles provided herein these Rules and Regulations and any other governing document filed on behalf of The Resort. Motorists are expected to reduce speed when passing Golf Carts must be operated at fifteen miles per hour (15 MPH) or less at all times. Violations can result in citations by local law enforcement officials in addition to enforcement measures by the Association, including fines and suspension of driving privileges within The Resort.

4.3 Fire Hydrants. Parking vehicles in front of or within fifteen (15) feet of a fire hydrant is prohibited. Violations can result in towing of the vehicle at the owner's expense, fines, and the suspension of privileges.

4.4 Automotive Repairs. No repair and/or maintenance of a vehicle of any kind or of similar equipment shall be conducted on any Lot unless such repair and/or maintenances is conducted entirely within an enclosed garage and completely out of public view.

4.5 Prohibited Vehicles. No vehicle of any size which transports inflammatory or explosive cargo may be kept within The Resort at any time. Large commercial vehicles, trailers, recreational vehicles, all-terrain vehicles, buses, aircraft (excluding those permitted for construction activity, delivery or pick up of materials and other reasonable services) and unauthorized machinery or equipment are prohibited on any portion of the Lots, Common Areas, sidewalks, streets or any other portion of the Resort. A large commercial vehicle is defined as a vehicle with equipment attached, strapped, or affixed to the exterior of the vehicle, including, but not limited to, storage containers, racks, ladders, pipes; or an unmarked vehicle, which because of its irregular height, length, shape, or weight, is not a conventional private passenger vehicle and is more suited for a commercial purpose. No vehicle shall be parked on any portion of Lots within The Resort other than in designated parking areas for Lots, driveways and appropriate street areas. No lawns or other yard spaces shall be used for parking of automotive vehicles or for parking of other vehicles for which parking is prohibited on driveways or streets. Motorcycles or bicycles may not be chained to buildings, fences or any other part of a Lot, unless such area is designated for that purpose. No servicing or repairs shall be made to any vehicle within the Property, except for emergency repairs as necessary to enable movement of the vehicle to a repair facility. Parking

spaces, garages, parking lots and driveways shall only be used for vehicle parking purposes.

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. All garages must be rear entry or side entry only. Front load garages may only be permitted upon written approval of the ARC upon written submittal of plans and specifications for same. 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. A vehicle is considered inoperable if it has no valid/current registration or license plate attached to the vehicle, has environmental indicators such as excessive dirt, spider webs, grass/weed debris surrounding the vehicle, has physical indications of not having been moved, such as flat tires, missing parts (such as doors, mufflers, broken windows, wheels, engine, etc.), resting on jacks/blocks, and any other indication of inoperable as subjectively perceived by the Association.

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 overnight 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 sign age 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.

4.19 Golf Carts. Golf carts may be used within The Resort subject to the rules and regulations of the Association generally applicable to vehicles and parking as promulgated hereunder, and in accordance with the following:

- a. The driver or operator of any golf cart must possess a valid driver's license; and
- b. The driver or operator of a golf cart must obey the speed limit posted in The Resort or set forth in any rules or regulations promulgated now or hereinafter from time to time by the Association (or as required by applicable law, if more restrictive).
- c. The driver or operator of any golf cart must yield right of way to any and all pedestrians, bicycle riders, or other drivers and/or operators of a golf cart.
- d. The driver or operator of any golf cart must stop for any and all pedestrians, bicycle riders, or other drivers and/or operators of a golf cart.

Any violation of the rules and regulations hereunder by the driver or operator of a golf cart within The Resort shall be subject to a fine of \$50 for the initial offense, \$100 for the second offense and \$500 for each subsequent offense, which fines shall be in addition to any other rights or remedies of the Association hereunder.

SECTION 5 PET RULES

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

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 Resort's Architectural Review Committee (the "ARC"). All constructions, modifications, and/or alterations must comply with the Association's Amended Architectural Rules for the Resort at Eagle Mountain Lake (the "Design Guidelines"). 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 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. The appropriate paperwork must comply with all requirements expressed by the ARC and the Design Guidelines.

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 Saturday 7:00 a.m. to 6:00 p.m. Construction times are subject to the change at the Association's discretion. 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 and 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 Resort's Board of Directors.

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 now into the lake. A plastic tarp or similar material cover must be placed on the street and sidewalk areas whenever dirt, sod, sand, cement or any other materials are used. Whenever possible, the owner's driveway rather than the street should be used for mixing materials.

6.8 Oversized Trash Bin. Residents who require oversize trash bins for construction or major clean ups are required to place the bins in their driveway. If the bin cannot be parked in the driveway, wood protection must be inserted between the street and the bin in order to prevent damage to the street. The streets within The Resort are private streets paid for and maintained by our Association. Any damage to the streets or sidewalks will be billed to the homeowner to cover the cost of repairs.

6.9 Contractor Signs. Contractors may display stake signs not exceeding three square feet in size during construction, remodeling or major repair (roof, landscaping, painting, concrete, etc.). Signs must be removed upon completion of the job.

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

SECTION 7 SALES AND LEASING

7.1 Real Estate Agents and 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 a minimum 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 DCC&R's, Architectural Rules, and the Rules and Regulations, and all amendments thereto, Tenant agrees to abide by The Resort's DCC&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."
- f. ***No Short Term or Transient Rentals.*** Transient tenants will be regarded as any tenant occupying a Lot for less than twelve (12) months or through a short-term rentals service or other third-party renting the Lot or Residences for a period of less than one (1) year.

SECTION 8
RESTRICTED USES, RESTRICTED ACTIVITIES
AND PROHIBITED CONDITIONS

8.1 Temporary Structures and Mobile Homes. No temporary dwelling, workshop, trailer, tent, canopy, carport, shack, barn, out-building, mobile home, playhouses, playground equipment, dog houses, greenhouses, gazebos and buildings for storage of lawn maintenance equipment, or any structure or improvement of a temporary character shall be permitted on any Lot without the prior written consent of the Declarant and the ARC. No building material of any kind or character shall be placed or stored upon any Lot or other property until the Owner thereof is ready to commence construction of improvements, and then such material shall be placed within the property lines of the Lot upon which the improvements are to be erected. Notwithstanding the foregoing, a builder or contractor may have temporary improvements such as a construction trailer on a given Lot during the construction period, but only as permitted by the Declarant.

8.2 Fences. The only fences permitted within The Resort are those fences as provided for in the Design Guidelines. All fencing must be maintained by the Owner(s) of the Lots on which such fence borders.

a. Re-Plat Exception. In the instance that a Lot is re-platted and/or combined, the ARC and/or Declarant must approve fencing prior to installation. Any fence installed on a re-platted Lot and/or combined Lot without prior written approval from the ARC may be subject to removal at the sole expense of the Owner.

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. Waiver of Air Conditioning Units.** With expressed written approval of the ARC and subject to plat and zoning restrictions, a variance may be considered for the location of the air conditioning unit or evaporative cooler if the ARC determines it will enhance the value and appearance of the Lot and will not negatively impact the appearance of adjoining Lots.
- c. Energy Conservation Equipment.** No solar energy collector panels or attendant hardware or other energy conservation equipment shall be constructed or installed in any residence unless it is an integral and harmonious part of the architectural design of a structure, as determined in the sole discretion of the ARC. No windmills, wind generators, or other apparatus for generating power from the wind shall be erected or installed on any Lot without first obtaining the express written consent of the Declarant and the Board.

8.4 Garage Sales. Garage sales are prohibited within The Resort.

8.5 Pools. All pools, jacuzzis, whirlpools, spas, ponds, fountain pools, and similar pools must have the prior written consent of the ARC. No above-ground swimming pools shall be erected, constructed or installed on any Lot. Jacuzzis, whirlpools, or spas which are approved in writing by the Board and Declarant and ARC shall not be considered an above-ground pool.

8.6 Removal of Trees. Under no circumstance may any trees within the Resort be removed except upon written consent from the Board, Declarant and/or the committee having jurisdiction of this matter. In instances where a tree located within The Resort appears diseased or dead or may create a safety hazard, notice may be provided to the Association of a Lot Owner's request to remove said tree. No misuse, abuse, nor obstruction of any trees located within the protected wetland, marshland, and other protected areas located within the Resort will also be permitted. In the event of an intentional or unintentional violation of this provision, the violator may be required by the Board, Declarant or the committee having jurisdiction over this matter to replace the removed tree with one or more comparable trees of such size and number and in such locations as such Board, Declarant and/or committee may determine necessary, in its sole discretion, to mitigate the damage.

8.7 Unlawful Activities. No Owner shall perform, fail to perform or permit anything to be done or not done on his Lot which would violate any laws, statutes, ordinances or regulations of any kind or character.

8.8 Drilling. No oil drilling, oil development operation, oil refining, quarrying or mining operations of any kind shall be permitted in, on or within The Resort, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any part of The Resort. No derrick or other structure designed for using in quarrying or boring for oil, natural gas or other minerals shall be erected, maintained or permitted within The Resort.

8.9 Prohibitions. The following activities and/or conditions are prohibited within The Resort:

- a. Any activity which emits foul or obnoxious odors outside the Lot or creates noise of other conditions which tend to disturb the peace or threaten the safety of the occupants of other Lots.
- b. Any activity which violates local, state or federal laws or regulations; however, the Board shall have no obligation to take enforcement action in the event of a violation.
- c. Pursuit of hobbies or other activities which tend to cause an unclean, unhealthy or untidy condition to exist outside of enclosed structures on the Lot.
- d. Any noxious or offensive activity which in the reasonable determination of the Board tends to cause embarrassment, discomfort, annoyance, or nuisance to persons using the Common Area or to the occupants of other Lots.
- e. Burning of trash, leaves, debris or other materials.

- f. Use or discharge of firecrackers and other fireworks (except as may be organized and professionally displayed by the Resort and/or its managing agent).
- g. Dumping grass clippings, leaves or other debris, petroleum products, fertilizers, or other potentially hazardous or toxic substances in any drainage ditch, stream, pond, or lake, or elsewhere within The Resort, except that fertilizers may be applied to landscaping on Lots provided care is taken to minimize run off, and Declarant and Builders may dump and bury rocks and trees removed from a building site on such building site.
- h. Obstruction or rechanneling drainage flows after location and installation of drainage swales, storm sewers, or storm drains, except that Declarant and the Association shall have such right; provided, the exercise of such right shall not materially diminish the value of or unreasonably interfere with the use of any Lot without the Owner's consent.
- i. Subdivision of a Lot into two or more Lots, or, unless approved by Declarant, changing the boundary lines of any Lot after a subdivision plat including such Lot has been approved and Recorded, except that Declarant shall be permitted to subdivide or replat the Lots which it owns.
- j. Declarant, its successors and assigns, shall be permitted and shall have the exclusive right and easement to draw water from lakes and canals within The Resort for purposes of irrigation and such other purposes as Declarant shall deem desirable. The Declarant and the Association shall not be responsible for any loss, damage, or injury to any person or property arising out of the authorized or unauthorized use of lakes, canals, or other bodies of water within or adjacent to The Resort.
- k. Use of any Lot for operation of a timesharing, fraction-sharing, or similar program whereby the right to 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 anything, permanently or temporarily, on the exterior portion of any improvement on a lot or elsewhere on a lot, whether the lot is improved or unimproved, without the prior written consent of the ARC including, without limitation, signs, basketball hoops, swing sets and similar sports and play equipment, woodpiles, docks, piers and similar structures, and hedges, walls, dog runs, animal pens, or fences of any kind.
- s. Plants, animals, devices or other things of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of The Resort
- t. Structures, equipment or other items on the exterior portions of a Lot which have become rusty, dilapidated or otherwise fallen into disrepair.
- u. Under no circumstance may a Lot Owner alter, modify, and/or obstruction any and all storm sewers or storm drains located within the right of way bordering each Owner's Lot(s). These storm sewers and storm drains, including any additional improvements and equipment installed or used in connection therewith are the maintenance responsibility of the Association. The Owner(s) may be held liable for any alteration, modification, and/or disruption caused to these storm sewers and storm drains which may result in enforcement procedures against the violating Owner. The violating Lot Owner will be responsible for any additional costs surrounding repairing these items.

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 rule's 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 resident requesting such records and/or their property.

9.4 Penalties. Violation of the Association's Bylaws, CC&R's, Rules and Regulations, and Governing Documents 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.
- c. **Publish Names.** The names of Owners who are in violation of the CC&R's and/or these Rules and Regulations may be published to the membership.
- d. **Judicial Enforcement.** The Association may take legal action for damages and/or injunctive relief. If the Association is required to take such action to enforce the Rules, it may be entitled to reasonable attorneys' fees plus costs.

9.5 Hearing Procedures. The levying of fines and suspension of privileges shall be subject to the following notice and hearing procedures:

- a. **Notice.** Notice shall be given either personally or by prepaid first to the most recent address as shown in the Association's records. The notice will describe the nature of the violation; the proposed penalty; the date and location of a hearing; the Owner's right to present evidence in his or 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 or by a panel of at least three (3) persons appointed by the Board who shall hear the charges and evaluate the evidence of the alleged violation. The hearing shall be held in executive session if so, requested by the person being disciplined.
- c. **Notice of Decision.** Within thirty (30) days after the conclusion of the hearing, the Board shall give notice of its decision by mail, which notice shall specify the rule violated and the penalty imposed.
- d. **Correction of Violation.** In the event the violation is corrected prior to the hearing date, the hearing body may, if appropriate, discontinue the proceedings.

SECTION 10 ASSESSMENT COLLECTION POLICIES

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

10.1 Due Date for Regular Assessments. All regular assessments shall be due and payable on the first day of each calendar quarter, i.e., January 1, April 1, July 1, and October 1 each calendar year.

10.2 Due Date for Special Assessments. Special assessments shall be due and payable on the due date specified by the Board in the notice imposing the assessment. In no event shall a special assessment be due and payable earlier than 30 days after the special assessment is duly imposed.

10.3 Delinquencies. Regular and special assessments shall be delinquent if not paid within thirty (30) days after they become due.

- a. **Late Charge.** A one-time late charge of 10% of the delinquent assessment shall be imposed on each delinquent assessment on the day it becomes delinquent.
- b. **Interest.** Interest at an annual percentage rate of 12% shall be imposed on all sums delinquent for more than 30 days (calculated from the date of delinquency through

the date of payment).

10.4 Actions to Collect Delinquencies. Once an assessment becomes delinquent, the Association shall have the right, but shall not be obligated, to take any or all of the following actions to collect past due amounts.

- a. ***Liens.*** If an assessment payment is delinquent for more than sixty (60) days, the Association shall have the right to cause to be recorded a "Notice of Delinquent Assessment" with the County Recorder's Office detailing all sums that are then delinquent. This notice creates a lien which is subject to foreclosure against the delinquent owner's property. Before the Association records an assessment lien, it will notify the owner of the unit by regular and certified mail of the Association's fees, penalty procedures and this collection policy along with an itemized statement of all amounts owing. A copy of the lien will be mailed to the owner by regular and certified mail within ten (10) days of recordation and foreclosure procedures may commence as provided for by law.
- b. ***Publish Names and Suspend Privileges.*** In addition to the foregoing remedies, the Association may publish the names of delinquent owners and/or suspend their voting rights and common area privileges. The suspension of privileges includes anyone living in the unit such as family or tenants. Delinquent owners will be given notice and an opportunity to be heard before voting rights and privileges are suspended.
- c. ***Legal Action.*** If an assessment payment is delinquent more than sixty (60) days, the Association may also cause an action at law to be brought against the owner.

10.5 Crediting of Payments. Payments for delinquencies shall be applied first to collection costs, then to late charges, then to delinquent interest, and finally to the principal amount of the dues.

10.6 Offsetting Payments. Owners are not allowed to offset their assessments with damages they believe the Association has caused them or for work they believe has not been done by the Association. If the owner has a dispute with the Association, he or she must first pay all monies owed in full and then follow the alternative dispute resolution provided for in the Declaration.

10.7 Disputes Involving Assessment Collection. If an owner disputes any of the Association's assessments or charges, he or she has the right to have the dispute resolved through Alternative Dispute Resolution ("ADR") as provided for in Section 13.2 of the Declaration. However, the right to ADR exists only if the owner:

- a. **Pays in Full.** Pays in full all monies owed late charges, interest and collection costs (which may include but are not limited to attorney's 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.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Amended Rules and Regulations on the date and year first written above.

THE RESORT AT EAGLE MOUNTAIN LAKE, L.P., a Texas Limited Partnership

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

By: Mehrdad Moayedi
Mehrdad Moayedi, President

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me, the undersigned authority, on this 2 day of December, 2020, by Mehrdad Moayedi, President of Pars Investments, 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.

Trevor Kollinger
Notary Public, State of Texas

My Commission Expires:

01-05-2021

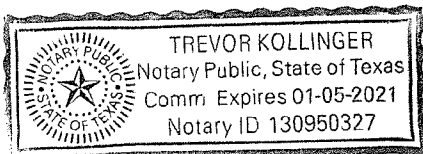


EXHIBIT E
BYLAWS -AND-
FIRST AMENDMENT TO THE BYLAWS
FOR
THE RESORT AT EAGLE MOUNTAIN LAKE
HOMEOWNERS ASSOCIATION, INC.

**BYLAWS
OF
THE RESORT AT EAGLE MOUNTAIN LAKE HOMEOWNERS ASSOCIATION, INC.,
a Texas non-profit corporation**

ARTICLE I

DEFINITIONS

The following words when used in these Bylaws (herein so called), unless a different meaning or intent clearly appears from the context, shall have the meaning set forth opposite such word(s):

(a) "Association" shall mean THE RESORT AT EAGLE MOUNTAIN LAKE HOMEOWNERS ASSOCIATION, INC., a non-profit corporation organized pursuant to the Texas Non-Profit Corporation Act.

(b) "Board of Directors" or "Board" shall mean the governing body of the Association, elected pursuant to the Bylaws of the Association.

(c) "Common Properties" shall mean and refer to the Common Properties as described in the Declaration (hereinafter defined).

(d) "Declaration" shall mean and refer to that certain Declaration of Covenants, Conditions and Restrictions for The Resort on Eagle Mountain Lake, recorded under Clerk's File No. D199192720 of the County Clerk's Office of Tarrant County, Texas, and as the same may be amended or supplemented from time to time as therein provided.

(e) "Developer" shall have the same meaning as the term "Declarant" as defined in the Declaration.

(f) "Lot" shall mean and refer to a Lot as defined in the Declaration and/or a townhome unit, as same is referred to in the Declaration.

(g) "Member" shall mean and refer to a Member as defined in the Declaration.

(h) "Mortgage" shall mean a first lien deed of trust as well as a first lien mortgage on one or more Lots.

(i) "Mortgagee" shall mean a beneficiary under or holder of a Mortgage who has given to the Association written notice that it is the beneficiary under, or holder of, a Mortgage affecting all or any part of the Properties, as hereinafter defined.

(j) "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot(s) situated upon the Properties, but, notwithstanding any applicable theory of mortgages or liens, shall not mean or refer to any mortgagee or lienholder unless and until such mortgagee has acquired title to one or more Lots pursuant to foreclosure or any proceeding in lieu of foreclosure.

(k) "Property" shall mean and refer to the Property described in the Declaration together with such additions as may hereafter be made thereto, pursuant to the terms of the Declaration.

(l) "Subdivision Plat" shall mean and refer to all respective maps, plats or replats of the Property, or portions thereof, recorded in the Plat Records of Tarrant County, Texas.

ARTICLE II

OFFICES AND PURPOSE

Section 1. Principal Office. The principal office of the Association shall be located in the County of Tarrant, State of Texas.

Section 2. Other Offices. The Association may also have offices at such other places, within and without the State of Texas, as the Board of Directors may from time to time determine or as the business of the Association may require.

Section 3. Purpose. The purpose of the Association is to exercise the rights and responsibilities granted to it in the Declaration, including maintenance of the Common Properties, all at the expense of the Owners through the assessments provided for in the Declaration.

ARTICLE III

MEMBERSHIP

Section 1. Membership. Every Owner (including the transferee of such owner who becomes an Owner by the acquisition of a fee or undivided fee interest in a Lot) shall, upon acquisition by original purchase or transfer of the fee or undivided fee interest in a Lot, whether by foreclosure, deed in lieu of foreclosure or otherwise, automatically be a Member of the

Association and entitled to all rights of the Members as provided in the Declaration; including the rights with respect to the Common Properties, subject, however, to the terms and provisions of the Declaration. The term "Member" is further defined to include and refer to the executors, personal representatives and administrators of any Member, and all of the persons, firms or corporations, acquiring or succeeding to the title of the Member by sale, grant, will, foreclosure, execution, or by any legal process, or by operation of law, or in any other legal manner. The interest and proportionate share of each member in the Association shall not be assigned, hypothecated or transferred in any manner whatsoever except as an appurtenance to a Lot.

Section 2. Payment of Assessments. The rights of membership are subject to the payment of annual and special assessments levied by the Association, the obligation of which assessments is imposed against the Owner of and becomes a lien upon each Lot against which such assessments are made as provided by Article VIII of the Declaration (incorporated herein and made a part hereof for all purposes).

Section 3. Suspension of Membership. During any period in which a Member shall be in default in the payment of any annual or special assessment levied by the Association, the voting rights and right to the use of the Common Properties of such Member, his tenants, and each individual residing with either of them in the Lot owned by such Member, may be suspended by the Board of Directors until such assessment has been paid. Such rights of a member, his tenants, and each individual residing with either of them in any improvements located on such Member's Lot may also be suspended, after notice and hearing, for a period not to exceed sixty (60) days, for violation of any rules and regulations established by the Board of Directors governing the use of the Common Properties, or for failure to meet any obligation imposed by the Declaration upon such Member, his tenants, or any individual residing with either of them.

ARTICLE IV

PROPERTY RIGHTS: RIGHTS OF ENJOYMENT

Each Member, his tenants, and the individuals who reside with either of them in any improvements located on any Lot owned by such member, shall be entitled to the use and enjoyment of the Common Properties and in accordance with an subject to the terms and conditions set forth in the Declaration, these Bylaws, and the rules and regulations adopted from time to time by the Board of Directors. The rights and privileges of any such tenant or other individual are subject to suspension to the same extent as those of the Member. Any Member may also delegate the aforementioned rights of enjoyment to his guests, subject to any applicable rules and regulations that may be adopted from time to time by the Board of Directors of the Association.

ARTICLE V

BOARD OF DIRECTORS

Section 1. Number. Qualifications. The affairs of this Association shall be managed by a Board of Directors. The Board of Directors of the Association shall consist of at least three (3) members. During the period of time Declarant, its successors and/or assigns, owns at least one (1) Lot in the Addition, the directors need not be Members of the Corporation and thereafter, all Directors must be Members of the Corporation.

Section 2. Election. Term. The directors named in the Articles of Incorporation (the "Articles") shall serve for a term of three (3) years and until their respective successors are elected and qualified, or their earlier death, resignation or removal, respectively. Thereafter, beginning with the third regular annual meeting, directors shall be elected every other regular annual meeting of the Members (being more fully described in Article X below) and serve for a term of two (2) years and until their respective successors are elected and qualified, or until their earlier death, resignation or removal.

Section 3. Death. Resignation and Removal. Filing Vacancies. Any director may resign at any time by giving written notice to the other directors, and any director may be removed from membership on the Board by the Members entitled to cast a majority of the votes of the Association. Any vacancy in the Board shall be filled by the other directors, provided that the Members, acting at a meeting called within ten (10) days after the occurrence of the vacancy, may fill the vacancy.

Section 4. Compensation. Directors shall serve without pay. However, a director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The Board of Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the Board.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 1. Place of Meetings. Meetings of the Board of Directors, regular or special, may be held either within or without the State of Texas.

Section 2. First Meeting. The first meeting of each newly elected Board of Directors shall be held at such time and place as shall be fixed by the vote of the Members at the annual meeting, and no notice of such annual meeting shall be necessary to the newly elected directors in

order legally to constitute the meeting, provided a quorum shall be present.

Section 3. Regular Meetings. Regular meetings of the Board of Directors (in addition to the first meeting provided in Section 2 above) may be held without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should the day so fixed by a legal holiday, then the meeting shall be held at the same time on the next day not a legal holiday. The Board of Directors shall, at a minimum, meet annually.

Section 4. Special Meetings. Special meetings of the Board of Directors may be called by the president of the Association and shall be called by the secretary on the written request of two (2) directors of the Board. Written notice of special meetings of the Board of Directors shall be given to each director at least three (3) days before the date of the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

Section 5. Quorum. A majority of the directors shall constitute a quorum for the transaction of business and the act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless a greater number is required by the Articles. If a quorum shall not be present at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

ARTICLE VII

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Except as provided in Article VII, Section 3 below, nomination for election to the Board of Directors shall be made by a Nominating Committee (herein so called). Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a chairman, who shall be a member of the Board of Directors, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members in which directors are to be elected, to serve from the close of such annual meeting until the close of the next annual meeting in which directors are to be elected, and such appointment shall be announced at each such annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

Section 2. Election. Except as provided in Article VII, Section 3 below, election to the Board of Directors shall be by secret written ballot. At such election, the Members or their proxies may cast as many votes as they are entitled to exercise.

Section 3. Special Rights of Developer. Notwithstanding anything herein to the

contrary, so long as Declarant owns at least one (1) Lot, Declarant shall have the sole right, but not the obligation, in its sole discretion, at any time, effective as of the date of execution of the Declaration, to control, perform and/or conduct the following:

- (1) appoint the Board of Directors (including itself);
- (2) terminate the Board of Directors;
- (3) amend the Covenants, Conditions and Restrictions and any other provisions under the Declaration, in whole or in part;
- (4) enforce the Covenants, Conditions and Restrictions and other provisions provided for under the Declaration;
- (5) review, determine and enforce the architectural control of the Lots; and
- (6) assigns its rights and obligations under the Declaration to any entity at 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. At such time as the Declarant no longer owns a Lot within the Property, all of such rights of enforcement shall revert to the Association.

In the event any provision herein is in contradiction with this Article VII, Section 3, in whole or in part, this Article VII, Section 3 shall prevail. Within sixty (60) days after Developer has sold all of the Lots, a special meeting shall be called to elect Directors to complete any unexpired term of the Directors which were elected by the Developer.

ARTICLE VIII

POWERS OF THE BOARD OF DIRECTORS

Section 1. Powers. The business and affairs of the Association shall be managed by its Board of Directors, which may exercise all such powers as are not by law, by the Articles, or by the Bylaws directed or required to be exercised and done by the Members. The power and authority of the Board of Directors shall include, but shall not be limited to, all powers, duties and authority vested in or delegated to the Board of Directors in the Declaration.

Section 2. Limitation. The Board's powers and duties hereinabove enumerated shall be limited in that the Board shall not have the authority to acquire and pay for any structural alterations, capital additions to, or capital improvements of the Common Properties (other than

for purposes of replacing or restoring portions thereof, subject to all the provisions of the Declaration) requiring any expenditure in excess of Ten Thousand and No/100 Dollars (\$10,000.00) exclusive of (a) any insurance proceeds applied to such alterations, additions, improvements, or repair of damages, or (b) any expenditure included in an annual budget approved, without in each case the prior approval of the Members entitled to cast a majority of the votes in the Association.

ARTICLE IX

MANAGEMENT AND/OR CONSULTING COMPANIES

Section 1. Management and/or Consulting Companies. The Board of Directors, by resolution adopted by a majority of the Board, may contract with or employ professional management companies or consultants to perform such services and/or assist the Association and/or the Board of Directors in the furtherance of its purposes, powers and duties, to the extent provided in such resolution, and shall have and may exercise all of the authority of the Association or the Board of Directors, as the case may be, except to the extent that the action of the Members or the Board of Directors is required by statute. The Board of Directors shall be authorized to pay such management companies or consultants fair and reasonable compensation for the services for which it is contracted. Nothing contained herein shall prevent any such management company or consultant from being affiliated with any Member, Owner, or member of the Board of Directors or any officer of the Association; provided, however, that any compensation paid to such management company or consultant shall not exceed that which would otherwise be paid to an independent, third-party management company or consultant, for rendering substantially the same services.

ARTICLE X

MEETINGS OF MEMBERS

Section 1. Place of Meetings. Meetings of the Members shall be held at the Offices of the Association, or at such other location within Tarrant County, State of Texas, as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof.

Section 2. Annual Meeting. A regular annual meeting of Members shall be held on the second Tuesday of March in each year commencing with the year 2000. The date of the annual meeting may be changed from time to time by the resolution duly adopted by the Board of Directors of the Association.

Section 3. Special Meetings. Special meetings of the Members shall be called by the secretary upon written request of (a) two (2) Members of the Board of Directors, or (b) Members entitled to cast one-fourth (1/4) of the votes in the Association.

Section 4. Notice. Written notice of the organization meeting, each annual meeting, and each special meeting of the Members, specifying the date, hour and place of the meeting, shall be delivered to each owner (and, upon request to each Mortgagee, which shall be permitted to designate a representative to attend all such meetings) not less than ten (10) nor more than fifty (50) days prior to the date fixed for said meeting. Notices of special meetings shall in addition specify the general nature of the business to be transacted at the meeting.

Section 5. Purposes. Business transacted at any special meeting shall be confined to the purposes stated in the notice thereof.

Section 6. Quorum. Subject to the provisions of Article VI of the Declaration, the presence at any meeting of Members entitled to cast twenty percent (20%) of all of the votes of the Association's Members, regardless of class, represented in person or by proxy, shall constitute a quorum. If a quorum is not present at any meeting, the Members present, though less than a quorum, may adjourn the meeting once to a later date and give notice thereof to all the Members in accordance with the provisions of Section 4 of this Article X, and at that meeting the presence of Members constituting one-half (1/2) of the required quorum at the preceding meeting; provided, however, that no such second meeting may be held more than sixty (60) days following the first meeting, or the process must then be repeated. If a quorum is not present at the second meeting, the Members present, though less than a quorum, may again adjourn the meeting to a later date and give notice thereof to all Members in accordance with the provisions of Section 4 of this Article X, and at the third meeting whatever Members are present shall constitute a quorum.

Section 7. Majority Vote. The vote of Members entitled to cast at least fifty-one percent (51%) of all of the votes thus represented at a meeting at which a quorum is present shall be the act of the Members' meeting, unless the vote of a greater number is required by law, the Declaration, the Articles or these Bylaws.

Section 8. Voting Rights. Each Member may cast as many votes as he is entitled to exercise under the terms and provisions of the Articles on each matter submitted to a vote at a meeting of the Members, except to the extent that the voting rights of any member have been suspended in accordance with the Bylaws. Whenever there is more than one record Owner of a Lot, any or all of the record Owners may attend and collectively vote one (1) vote, at any meeting of the Members. Other than by the Developer, who may cast four (4) votes for each Lot owned by it, in no event shall more than one vote be cast with respect to any Lot. Cumulative voting is not permitted.

Section 9. Proxies. Any Member may attend and vote at a meeting of Members in person or by an agent duly appointed by an instrument in writing signed by the Member and filed with the Board of Directors. Whenever there is more than one (1) recorded Owner of a Lot, any designation of an agent to act for such record Owners must be signed by all such record Owners. Unless otherwise provided in writing, designation of an agent to act for a Member may be revoked at any time by written notice to the Board of Directors and shall be deemed revoked

when the Board shall receive actual notice of the death or judicially declared incompetency of such member of the conveyance by such Member of his Lot. Upon the death of a Member, the legal representative of the Member's estate shall have the right to vote for that Member and the legally appointed guardian of a Member who has been judicially declared to be incompetent shall have the right to vote for the Member.

Section 10. List of Members. The officer or agent having charge of the corporate books shall make, at least ten (10) days before each meeting of Members, a complete list of the Members entitled to vote at such meeting or any adjournment thereof, arranged in alphabetical order, with the address of each, which list, for a period of ten (10) days prior to such meeting, shall be kept on file at the principal office of the Association and shall be subject to inspection by any Member at any time during the usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any member during the whole time of the meeting.

Section 11. Record Date. The Board of Directors may fix in advance a date, not exceeding ten (10) days preceding the date of any written notice of a meeting of Members, as a record date for the determination of the Members entitled to notice of, and to vote at, any such meeting, and any adjournment thereof, and such Members and only such Members as shall be Members of record on the date so fixed shall be entitled to such notice of, and to vote at, such meeting and any adjournment thereof, notwithstanding any change of membership on the books of the Association after any such record date fixed as aforesaid.

Section 12. Action Without a Meeting. Any action required by the statutes to be taken at a meeting of the Members, or any action which may be taken at a meeting of the Members, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Members entitled to vote with respect to the subject matter thereof.

ARTICLE XI

NOTICES

Section 1. Delivery. Any notice to a director or Member shall be in writing and delivered personally or mailed to the director or Member addressed to the director or Member at the address of his Lot, or at such other address as may be given in writing to the Board of Directors by the director or Member. Notice by mail shall be deemed to be given at the time when deposited in the United States mail addressed to the Member or directors, with postage thereon prepaid. Notice to directors may also be given by telegram and shall be deemed to be given when given to the telegraph company.

Section 2. Waivers. Whenever any notice is required to be given to any member or director by law, the Declaration, the Articles, or the Bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein,

shall be equivalent to the giving of such notice.

Section 3. Attendance at Meetings. Attendance of any member or director at a meeting shall constitute a waiver of notice of such meeting, except when a director or member attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

ARTICLE XII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of the Association (who shall at all times be members of the Board of Directors) shall be a president, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term. The officers of the Association shall be appointed annually by the Board and each shall hold office for one (1) year unless he shall sooner die, resign, be removed or otherwise disqualified to serve.

Section 4. Special Appointment. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may from time to time determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled in the manner prescribed for regular election. The officer elected to such vacancy shall serve for the remainder of the term of the officer he replaced.

Section 7. Multiple Offices. One person may hold more than one office.

Section 8. Duties. The duties of the officers are as follows:

The President

- (a) The president shall be the chief executive officer of the

Association, shall preside at all meetings of the Members and the Board of Directors, shall have general and active management of the business of the Association, and shall see that all orders and resolutions of the Board of Directors are carried into effect. He shall execute bonds, mortgages and other contracts requiring a seal, under the seal of the Association, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the Association.

The Vice Presidents

(b) The vice presidents, if any, in the order of their seniority, unless otherwise determined by the Board of Directors, shall, in the absence or disability of the president, perform the duties and exercise the powers of the president. They shall perform such other duties and have such other power as the Board of Directors shall prescribe.

The Secretary and Assistant Secretary

(c) The secretary shall attend all meetings of the Board of Directors and all meetings of the Members and record all the proceedings of the meeting of the Association and of the Board of Directors in a book to be kept for that purpose and shall perform like duties of the standing committees when required. He shall give, or cause to be given, notice of all meetings of the Members and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or president under whose supervision he shall be. He shall keep in safe custody the seal of the Association and, when authorized by the Board of Directors, affix the same to any instrument requiring it and, when so affixed, it shall be attested by his signature or by the signature of the treasurer or an assistant secretary.

(d) The assistant secretaries, in the order of their seniority, unless otherwise determined by the Board of Directors, shall, in the absence or disability of the secretary, perform the duties and exercise the powers of the secretary. They shall perform such other duties and have such powers as the Board of Directors may from time to time prescribe.

The Treasurer

(e) The treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association and shall deposit all monies and other valuable effects in the name and to the credit of the Association in such

depositories as may be designated by the Board of Directors.

(f) The treasurer shall disburse the funds of the Association as may be authorized by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the president and the Board of Directors at its regular meetings or when the Board of Directors so required an account of all his transactions as treasurer and of the financial condition of the Association.

(g) The treasurer shall cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare (i) an annual budget, and (ii) a projected statement of income and expenditures, to be presented to the membership at its regular annual meetings (a copy of each of which shall be made available to each Member upon request), for approval by the Members entitled to cast a majority of the votes in the Association.

ARTICLE XIII

BOOKS AND RECORDS

The Declaration, the Articles, these Bylaws, and the books, records and financial statements of the Association shall at all times, upon request during normal business hours and under other reasonable circumstances, be subject to inspection by any Member. Copies of the Declaration, the Articles, and the Bylaws of the Association may be purchased at a reasonable cost at the principal office of the Association.

ARTICLE XIV

AMENDMENTS

Except as otherwise provided in Article VII, Section 3 and/or in the Declaration, these Bylaws may be amended, at a regular or special meeting of the Members or the Board of Directors, by a vote of the Members or the Board of Directors, as the case may be, entitled to cast a majority of the votes of the Members or directors, not just those present in person or by proxy; provided, that no amendment shall be made which would cause these Bylaws to be in conflict with the terms or provisions of the Declaration or the Articles.

ARTICLE XV

CONFLICTS

In the case of any conflict between the Articles and these Bylaws, the Articles shall control, and in the case of any conflict between the Declaration and these Bylaws, the

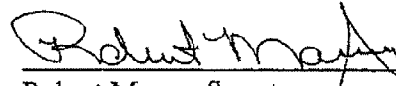
Declaration shall control.

ARTICLE XVI

FISCAL YEAR

The fiscal year of the Association shall be fixed by resolution of the Board of Directors.

By his execution hereof, the Secretary certified that these Bylaws have been approved and adopted by the Board of Directors at the Organizational Meeting and same shall be inserted into the Minute Book of the Corporation.



Robert Maxey, Secretary

Date: August __, 1999

FIRST AMENDMENT TO BYLAWS
THE RESORT AT EAGLE MOUNTAIN LAKE
HOMEOWNERS ASSOCIATION, INC.

**FIRST AMENDMENT TO THE BYLAWS OF
THE RESORT AT EAGLE MOUNTAIN LAKE HOMEOWNERS
ASSOCIATION, INC.
A TEXAS NON-PROFIT CORPORATION**

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

This First Amendment to the Bylaws of The Resort at Eagle Mountain Lake Homeowners Association, Inc. (the "Association") was approved by the Association's Board of Directors and is effective when filed of record with the Office of the Tarrant County Clerk.

WITNESSETH:

WHEREAS, the terms and conditions of the Bylaws of the Association may be amended by the Board of Directors of the Association as provided in Article XIV thereof; and

WHEREAS, a meeting of the Board of Directors took place on November 7, 2017 at which a quorum was present (the "Meeting"); and

WHEREAS, a motion was made at the Meeting to amend the Bylaws of the Association; and

WHEREAS, the motion was duly seconded and approved by the Board of Directors of the Association at the Meeting.

NOW, THEREFORE, the Bylaws of the Association are hereby amended as follows:

- (i) Section I of Article V of the Bylaws is amended to read, in its entirety, as follows:

Section 1. Number; Qualifications. The affairs of the Association shall be managed by a Board of Directors. The Board of Directors of the Association shall consist of no less than three (3) and no more than five (5) members. The number of Directors may be increased or decreased by resolution of the Board of Directors so long as the number of Directors is never less than three (3). During the time Developer, its successors and/or assigns, owns at least one (1) Lot in the Addition, and except as otherwise allowed by Developer under Section

2 of this Article V, Developer has and shall maintain the right to appoint no less than two-thirds of the members of the Board. Developer's appointees to the Board do not need to be Members of the Association. All directors elected to the Board by Members other than Developer must be Members of the Association. All of the foregoing is subject to the Special Rights of Developer set forth in Section 3 of Article VII of the Bylaws.

(ii) Section 2 of Article V of the Bylaws is amended to read, in its entirety, as follows:

Section 2. Election; Term. At a special meeting of the Members of the Association to be held in 2017 (the "Special Meeting"), three (3) Directors shall be elected by Members of the Association other than Developer and two (2) Directors shall be appointed by the Developer (the "Developer Appointees"). During the Class "B" Control Period, Developer retains the right to remove and replace the Developer Appointees. The three Directors elected at the Special Meeting shall serve staggered terms as follows: (i) the Director elected receiving the most votes will serve a three (3) year term; (ii) the Director elected receiving the second highest number of votes shall serve a term of two (2) years; and (iii) the Director elected receiving the least amount of votes shall serve a term of one (1) year. Following the expiration of the initial terms served by Directors elected at the Special Meeting, all of their immediate and subsequent successors shall each serve a term of two (2) years and until their respective successors are elected and qualified.

Within sixty (60) days after Developer has sold all Lots, a special meeting of the Members of the Association shall be called to elect Directors to replace the Developer Appointees. The Directors elected at this special meeting shall each serve until the next annual meeting of the Association (the "Annual Meeting") whereupon their successors will be elected. The successors elected at the Annual Meeting shall serve staggered terms as the Board of Directors may determine. Following the expiration of the term of those Directors elected at the Annual Meeting, all of their immediate and subsequent successors shall each serve a term of two (2) years and until their respective successors are elected and qualified.

All of the foregoing is subject to the Special Rights of Developer set forth in Section 3 of Article VII of the Bylaws.

- (iii) Section 3 of Article V of the Bylaws is amended to read, in its entirety, as follows:

Section 3. Death, Resignation and Removal; Filing Vacancies. Any Director elected by the Members of the Association may resign at any time by giving written notice to the other Directors, and any Director elected by the Members of the Association may be removed from membership on the Board for cause by a majority of the votes of the remaining Board Members or by the Members of the Association at a meeting called for that purpose wherein a majority of the votes of the Members are obtained. Any vacancy on the Board shall be filled by a majority vote of the remaining Directors provided, during the Class "B" Control Period, the Directors appointed by the Developer must approve the selection of a Director to fill the vacancy. Any Director appointed to fill a vacant position previously held by a Director elected by the Members of the Association shall serve the unexpired term of his or her predecessor. Notwithstanding the foregoing, all vacancies on the Board created by the removal or resignation of a Director appointed by the Developer shall be filled by the Developer.

- (iv) Section 3 of Article VII of the Bylaws is amended to read, in its entirety, as follows:

Section 3. Special Rights of Developer. Notwithstanding anything contained in these Bylaws to the contrary, so long as Developer owns at least one (1) Lot, the Board of Directors may not take any action on the items listed below without the prior, written consent of the Developer. Declarant may rely upon his appointed Members to the Board to vote or render decisions on his behalf at any time and from time to time on his behalf at his sole discretion:

- a. **Terminate any existing dedicatory instrument of the Association or amend the Declaration, Bylaws, or Rules and Regulations, including the adoption of any new policy, rules, regulations or other dedicatory instrument;**
- b. **Change the amount of any assessment or levy a special assessment;**
- c. **Approve capital improvements, use reserve funds, or cause a change in banking arrangements of the Association;**
- d. **Approve or amend any budget;**

- e. Approve major repairs or improvements to Common Areas or any structure, easement, or other areas of the Association in which Developer may have a vested interest or responsibility;
- f. Change the number of Directors, remove or appoint a Director outside the election process, remove an Officer, or appoint Officers. The Board shall notify Declarant in advance of any appointment of individuals to a Committee, or charter of a Committee. Declarant may veto any appointment to a Committee or the establishment or disbanding of a Committee at his discretion;
- g. Terminate or renegotiate any existing contract to which the Association is a party;
- h. Engage in legal proceedings of any kind save and except foreclosures for unpaid assessments;
- i. Interfere with Builders or the ACC approval process in place for new construction;
- j. Interfere with the Resort Golf Club and/or its operations;
- k. Any action that will violate or interfere with Declarant's Special Rights under Article VII, Section 3 of the Bylaws or which may adversely affect the Declarant and its rights, Special Declarant rights, or the Class "B" Control Period; and/or
- l. Dissolve the Association;
Any action taken by the Board of Directors on any of the items described above without the prior, written consent of the Developer shall be deemed void *ab initio*, although the Developer may subsequently ratify such actions. Developer reserves the right, to be exercised in its sole and absolute discretion, to remove any Director and appoint a new Director at any time, and from time to time, without consent or joinder of the Board of Directors should a Director attempt to or actually engages in any action which violates or interferes with the Developer's rights and its authority under the Declaration and Bylaws.

In the event this Section 3 of Article VII conflicts, in whole or in part, with any provision contained in these Bylaws, the terms and conditions of this Section 3 of Article VII shall control.

SIGNED this 15 day of November, 2017.

DECLARANT

THE RESORT AT EAGLE MOUNTAIN LAKE, L.P.,
a Texas limited partnership

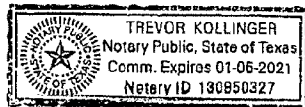
By: Pars Investments, Inc.,
a Texas corporation,
its General Partner

By: [Signature]
Mehrdad Moayedi, President

STATE OF TEXAS §
 §
COUNTY OF Dallas §

BEFORE ME, the undersigned authority, on this day personally appeared Mehrdad Moayedi, the General Partner of Pars Investments, Inc., a Texas Corporation, the Declarant of The Resort at Eagle Mountain Lake, L.P., a Texas limited partnership company, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and as the act and deed of said limited liability companies, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, on this 15 day of November, 2017.



[Signature]
Notary Public, State of Texas