

**NOTICE OF FILING OF DEDICATORY INSTRUMENTS
FOR
THE RESORT AT EAGLE MOUNTAIN LAKE**

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

THIS NOTICE OF DEDICATORY INSTRUMENTS FOR The Resort At Eagle Mountain Lake (this "Notice") is made effective as of the 24th day of January, 2003, by The Resort at Eagle Mountain Lake, L.P. (the "Declarant").

WITNESSETH:

WHEREAS, by the certain instrument entitled "Declaration of Covenants, Conditions, and Restrictions for the Resort at Eagle Mountain Lake" (the "Declaration"), which was recorded in the Official Public Records of Tarrant County, Texas under Clerk's File No. D199192720 and "Amended and Restated Declaration of Covenants, Conditions and Restrictions for The Resort At Eagle Mountain Lake, A Tarrant County Subdivision" filed on July 30, 1999 in the real property records of Tarrant County, Texas (collectively the "Prior Restrictions") and;

WHEREAS, pursuant to Article 9.1 of the Declaration the Declarant has the sole authority to include additional real property to the planned development covered by the Declaration. Such additional real property is more particularly described in item 1 of the "Second Amendment and Supplemental Declaration to Declaration of Covenants, Conditions, and Restrictions for The Resort at Eagle Mountain Lake" attached hereto and incorporated herein by reference; and

WHEREAS, pursuant to Article 17.1, section (iii) of the Prior Restrictions the Declarant shall have the sole right to amend the Declaration, in whole or in part; and

WHEREAS, Section 202.006 of the Texas Property Code provides that a dedicatory instrument that has not been previously recorded in the real property records of the county in which the planned development is located must be filed; and

WHEREAS, the Declarant desires to record the attached dedicatory instruments in the real property records of Tarrant County, Texas, pursuant to and accordance with Section 200.006 of the Texas Property Code.

NOW, THEREFORE, the dedicatory instruments attached hereto as "Second Amendment and Supplemental Declaration to Declaration of Covenants, Conditions, and Restrictions for The Resort At Eagle Mountain Lake, A Tarrant County subdivision"

along with "The Villas Architectural Rules" Exhibit "C", and "The Villas Rules and Regulations" Exhibit "D" are true and correct copies of the originals and are hereby filed of record in the real property records of Tarrant County, Texas, in accordance with the requirements of Section 202.006 of the Texas Property Code.

IN WITNESS WHEREOF, the Association has caused this Notice to be executed by its duly authorized agent as of the date first above written.

ASSOCIATION:

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

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

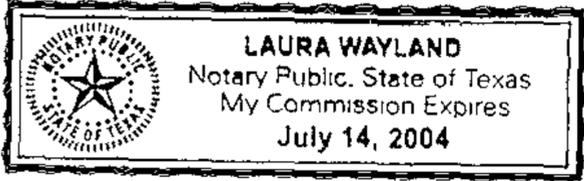
By: 
Name: Mehrdad Moayedi
Its: President

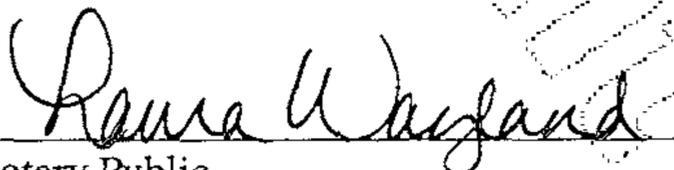
ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF TARRANT §

BEFORE ME, the undersigned authority, on this day personally appeared Mehrdad Moayedi, President of Pars Investments, Inc., the General Partner of The Resort at Eagle Mountain Lake, L.P. Known to me to be the person whose name is subscribed to the forgoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed on behalf of said corporation.

SUBSCRIBED AND SWORN TO BEFORE ME on this 24 day of January, 2003.




Notary Public
State of Texas

**SECOND AMENDMENT AND SUPPLEMENTAL DECLARATION
TO
DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR
THE RESORT AT EAGLE MOUNTAIN LAKE
A Tarrant County subdivision**

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

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

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

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

8. Exhibit C Architectural Rules – 5.6 Boat Docks: add to the end of the last sentence: "and must be in compliance with Tarrant Regional Water District."
9. Exhibit C Architectural Rules – 5.8 Fencing and Walls
 - (a) Insert in (a) between the fourth and fifth sentences the following sentence: "Privacy Fence" shall mean a fence constructed along the portions of each side yard."
 - (b) Delete the following language from (a), Sentence 9: "Except as specifically permitted hereby..." and replace with: "With the exception of a Privacy Fence,...".
 - (c) Delete the following language from (b), Sentence 9: "Except as specifically permitted hereby..." and replace with: "With the exception of a Privacy Fence,...".
10. Exhibit C "Architectural Rules" – 5.20 Roofing: Add the following sentences between the first and second sentences: "Composition roofs are not restricted to specific brand names, however they must be of equal or better quality and appearance as Capstone or Slateline. Other styles or qualities of composition roofs may be used only with the approval, given on a case-by-case basis, of the ARC. Z-ridges shall be required on all roofs."
11. Exhibit C "Architectural Rules" – 5.21 Setbacks and Height Limitations: In subsection (a.) Front Yard, delete: "Structures may not be closer than forty-three (43') from the front property line" and replace with "Structures may not be closer than twenty-five feet (25') from the front property line, and forty-three feet (43') from the street."
12. Exhibit D "Rules and Regulations" – Section 6.4 Construction Schedule: Replace first sentence with: "Approved construction is limited to Monday through Saturday 7:00 a.m. to 6:00 p.m."
13. "Exhibit 'C' The Villas Architectural Rules" and "Exhibit 'D' The Villas Rules and Regulations" attached hereto are made a part of the Declaration and a part of Article XVII, Section 17.4 Exhibits and shall be a supplement to replace "Exhibit C The Resort Architectural Rules" and "Exhibit 'D' The Resort Rules and Regulations" only for GCV Lots.
14. All terms and conditions contained in the Agreement not modified in this Amendment shall continue in full force and effect; and to the extent this Amendment modifies, or is inconsistent with, such terms and conditions, this Amendment shall prevail.

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

Declarant:

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

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

By: 
Name: Mehrdad Moayedi
Its: President

Consented to by:

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

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

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

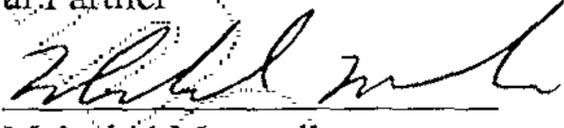
By: 
Name: Mehrdad Moayedi
Its: President

Exhibit "C"

THE VILLAS

ARCHITECTURAL RULES

UNAPPROVED

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UNCLASSIFIED DOCUMENT

The Villas Architectural Rules

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

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

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

SECTION I DEFINITIONS

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

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

1.2 "Improvements" shall mean any additions, changes, modifications or alterations to any part of a property. This includes, but is not limited to, modifications or changes to landscaping, colors of paint, installing or altering fences, driveways, screen walls, steps, decks, spas, hot tubs, lap pools, windows and doors, vents, mailboxes, hedges, trees and shrubs, antennas, patios, patio covers, balconies, awnings, garage doors, permanent barbecues, flag poles, outside lights, solar panels, wind vanes, external air conditioning equipment, water softeners, etc. All Improvements require approval by the ARC.

SECTION 2 APPLICATION REQUIREMENTS

2.1 **Application Required For All Improvements.** If you plan to add, change, modify or alter any part of your property which is visible from a neighboring property, the street, or the Lake, you must submit to the ARC an application with two (2) sets of professionally prepared plans along with appropriate fees and deposits.

2.2 **Application Required For Maintenance.** Repairs and routine maintenance that do not alter the appearance of existing structures still require an application but no fee or deposit

is required. Major repairs or complete replacement of a structure requires an application and conformity to current architectural standards.

2.3 Submit Application In Advance of Meeting. All applications must be submitted in complete form not less than one week prior to the next meeting of the ARC. Submit completed application with plans and the required fee/deposit to the ARC.

2.4 Approval Period. Owners should allow 30 days from the ARC's first scheduled meeting date following submission of the plans for the Architectural review process. The ARC may reject plans or require revisions. However, if the ARC fails to take any action to approve, disapprove, or request additional information or modifications within 5 days, the plans shall be deemed approved.

2.5 Architectural Approval Before Submission to Appropriate Governing Authority. All plans must first be approved in writing by the ARC before being submitted to the appropriate governing authority(ies) for review. Contractors may not be scheduled before plans are approved by the ARC and all other required authority(ies).

2.6 Application Fee Required. No application or plan will be processed without an application fee in the amount of Seven Hundred dollars (\$700.00). The application fee covers the cost of reviewing your plans by the ARC as well as a licensed architect and is non-refundable. 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 CC&R's do not provide for the protection of existing or future views from any lot. Therefore, the Association has no legal duty to preserve or protect the views of any Owner. However, as a courtesy to neighbors consideration should be given to, wherever possible, lessening the impact any improvements may have on the views of neighboring properties.

2.9 Time Schedule For Construction. The Owner must provide a time schedule for the completion of construction as a part of the original plans submitted. The time schedule for commencement of construction and completion must be in accordance with Section 4.3(c) of the Declaration. The owner shall diligently proceed with the work so that all work is completed as required in said Section 4.3(c).

2.10 Architectural Plans. Preliminary drawings may be submitted for review and approval to the ARC before final working drawings are made. Two sets of drawings are required for each submission. When final approval is granted, one set will be retained by the ARC and one set will be returned. Preliminary and final working drawings must contain the following information:

- a. **Plot Plan.** Plans must be drawn to scale of $1/8" = 1'$ and show the layout of the lot with all appropriate dimensions, a north arrow, the top and toe of all slopes, building outlines, roof outline, driveways, walks, fences (including heights), patio areas, pools and other site improvements, top of original pad (rear yard), etc. NOTE: Existing improvements must be marked as "existing" and house locations on adjacent properties must be shown on the drawing.
- b. **Floor Plans.** Floor plans must be drawn to a scale of $1/4" = 1'$ showing overall dimensions and area of building in square feet.
- c. **Roof Plans.** The roof plan must indicate the pitch and roof materials.
- d. **Exterior Elevations.** Plans must show exterior elevations at a scale of $1/4" = 1'$, showing doors and windows and indicating all materials used on exterior, including planters, gates, chimneys and fences. Indicate roof pitch and height above natural grade at highest point above referenced grade. Also, indicate height of wall at zero lot line, above adjacent grade.
- e. **Drainage.** Lot drainage must be shown with respect to its overall drainage in the addition and must be submitted to the ARC at the time of submission of the Architectural Plans.
- f. **Paint Colors.** Two color samples (at least 2 square inches) of all colors which are to be used on the exterior of buildings, fences, walls, planters, walks, etc. must be submitted with the application.
- g. **Professionally Prepared.** Plans must be professionally prepared and a perspective sketch for design clarification may be required.

2.11 Landscape Plans. Two sets of landscape plans may be submitted with working drawings, specifications and colors. Plans must be drawn to scale of $1/4" = 1'$ and contain the following information: (i) plant species (common names), (ii) placement (note existing structures, trees, shrubbery and improvements as "existing"), (iii) sizes, i.e., 5 gallon, 24" box, etc., (iv) irrigation system, and (v) any other landscape detail that does not appear on the architectural plans. Trees with an expansive root system are not allowed in side yards near the privacy wall because the roots could damage the foundation. Trees to be planted on any lot must be a type, size and variety approved by Declarant. A list of approved trees will be available from

the Declarant and no trees, except those which are approved by Declarant in writing shall be permitted.

2.12 Engineering And Code Requirements. Plans and specifications approved by the ARC are not approved for engineering design or building code specifications. Owners submitting plans for review by the ARC assume full responsibility and liability for ensuring compliance with applicable building codes, ordinances and specifications. The ARC only approves or rejects submittals in keeping with the aesthetic value of The Resort and conformance with these Architectural Rules.

2.13 Building Permits Do Not Constitute Approval. Despite any approvals given by the ARC, the Owner must separately obtain all appropriate building permits from the appropriate governing authority(ies). However, obtaining building permits does not constitute approval by the ARC nor does approval by the ARC constitute a waiver of any requirements of applicable governing statutes--these are two separate procedures and both must be conformed to.

2.14 Contractor Assistance. A contractor and/or architect may accompany an Owner to an ARC meeting upon scheduling with the ARC to assist the Owner if the Owner so desires.

2.15 Conflicts of Interest. Any ARC Member or Board Member who is deemed to have a personal interest in a submission cannot take any part in the decision making process. Furthermore, any comments by a ARC Member or Board Member outside of a formal meeting will not be construed as an approval.

2.16 Rescinding Approval. The ARC has the right to rescind its approval if (i) the work is not done in accordance with the documentation submitted and approved by the ARC, (ii) the work has not received appropriate governmental approvals, or (iii) the ARC determines that such work will be significantly adverse to the interests of the Association.

2.17 Deviations From The Rules. The ARC reserves the right to grant certain deviations from the Architectural Rules. However, such deviations do not constitute a waiver of any Rule nor does it entitle any subsequent application to make nonconforming improvements.

2.18 Amendment To Rules. The ARC has the right to amend these Architectural Rules at any time without prior notice. Such amendments shall be binding. As a result, you must contact the ARC to obtain the most recent Rules.

SECTION 3 REQUIREMENTS AFTER APPROVAL

3.1 No Construction Without Approval. Final working drawings and specifications must be approved by the ARC before any improvements may be undertaken. All approvals must be in writing. Starting construction without approval can result in significant fines, loss of gate privileges (i.e., construction workers and materials will be turned away at the gate), and legal action.

3.2 Approval and Building Permits (if applicable) Must Be Posted. The approved architectural submittal form as well as all applicable permits must be posted on the Owner's garage clearly visible from the street until the final inspection.

3.3 Approval Conditioned on Signed Construction Agreement. All approvals shall be conditioned on the signing of a construction agreement provided by the ARC. Failure to sign the agreement prior to the commencement of construction shall render the approval null and void.

3.4 Approval Lapses After Six Months. All approvals of plans for new work or alterations to existing structures shall be for six months from the date of approval. If work is not started before the expiration of this period, or if the property is sold, the approval automatically lapses and plans must be resubmitted for approval.

3.5 Notice of Completion. When the work is complete, the Owner must notify the ARC for inspection by the ARC. If the work conforms to the approved plans, the ARC will sign-off on the project. After sign-off by the ARC, the Deposit (less any costs for clean-up or repairs by the Association) will be returned to the Owner within 30 days.

SECTION 4 GENERAL CONDITIONS FOR APPROVAL

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

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

4.3 Owner Liable for Damage. Any damage caused by the Owner or his subcontractors, agents, employees or invitees to common areas or to the separate interests or personal property of others is the Owner's responsibility. If the damage is not repaired in a timely manner, the Association has the right to make the repairs and specially assess the Owner and/or take legal action against the Owner. If the Owner fails or refuses to pay the special assessment, the Association shall have the right to suspend construction, lien the Owner's property and exercise any other remedy provided for in the CC&R's or by law.

4.4 Inspections. The ARC has the right to periodically inspect the work and will conduct a final inspection before releasing the Deposit. Construction will be halted if inspections are not allowed. Such inspections or lack of inspections by the ARC do NOT relieve Owner from

his duty to comply with the (i) CC&Rs, (ii) plans approved by the ARC, and (iii) all applicable building and fire codes.

4.5 Insurance. All contractors and subcontractors must be licensed and carry appropriate amounts of Worker's Compensation Insurance, General Liability and Property Damage Insurance.

4.6 Indemnity. The consent of the ARC to improvements shall not give rise to any liability on the part of the Association, the ARC, or its representatives.

4.7 Approval of Nonconforming Improvements. Existing nonconforming improvements do not constitute a basis for granting approval of any new nonconforming improvements. The approval by the ARC of any plans, drawings or specifications for any work done or proposed or for any other matter requiring the approval of the ARC shall not constitute a waiver of any right to withhold approval of any similar plan, drawing, specification or matter subsequently submitted for approval.

4.8 Waiver of Liability. Neither the ARC nor the Association or its officers, directors, agents or employees shall be liable for any damage, loss, or prejudice suffered or claimed on account of (i) the approval or disapproval of any plans, drawings and specifications, whether or not defective, (ii) the construction or performance of any work, whether or not pursuant to approved plans, drawings and specifications, (iii) the development of any property within the Project, or (iv) the execution and filings of Notice of Non-Compliance.

SECTION 5 ARCHITECTURAL RESTRICTIONS

5.1 Building Materials. The total exterior wall area (as used herein the term "total exterior wall area" shall include first and second stories and shall exclude only windows, doors and gables) of each building constructed or placed on a Lot must be constructed 100% of brick, stone, or other masonry material approved by the ARC.

5.2 Minimum Floor Area. The total air-conditioned living area of the main residential structure constructed on each Lot, as measured to the outside of exterior walls but exclusive of open porches, garages, patios and detached accessory buildings, shall be not less than 1,600 square feet for single story lots and 1,800 square feet for two-story structures, 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. The ARC shall approve location of air conditioning units and condensers. The ARC shall approve types of air conditioning units and condensers so that the ARC can evaluate the aesthetics and noise and vibration resulting from their operation. Size and height of units should be shown on elevation drawings.

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

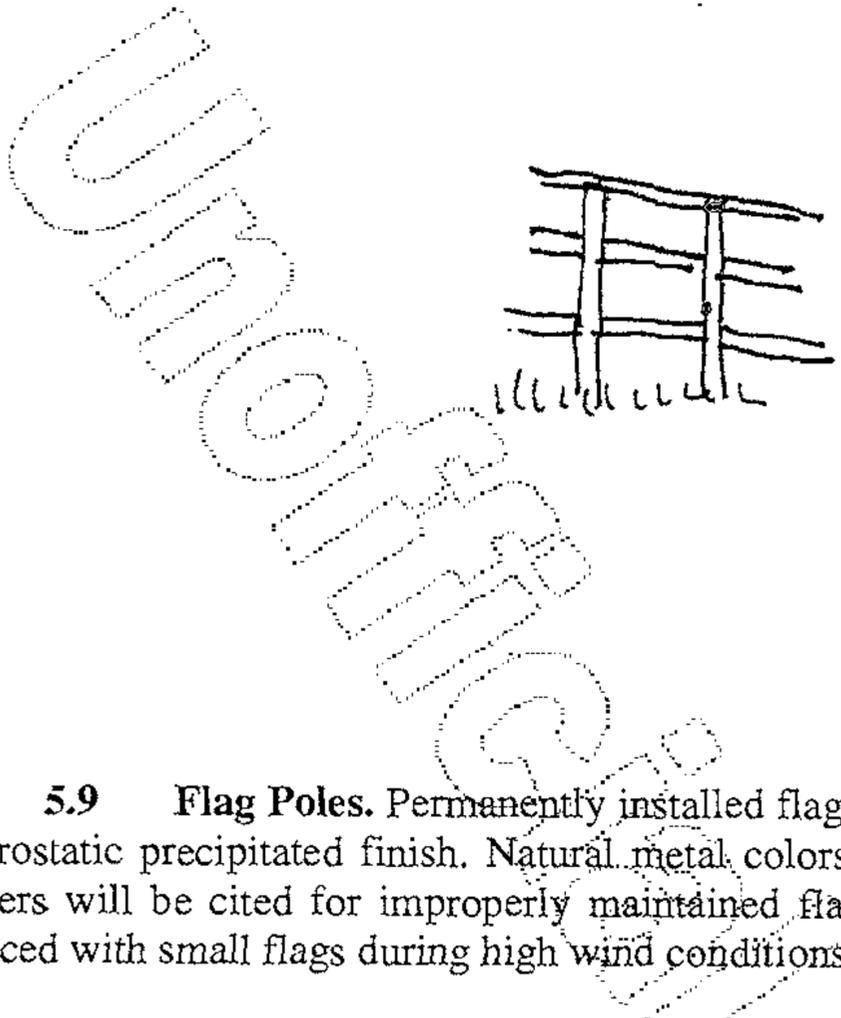
5.5 Awnings. Retractable canvas awnings shall be approved on an individual basis by the ARC. A fabric color sample and sketch must be submitted. The use of bamboo, plastic or metal sun shades are NOT allowed, nor is reflective/mirror tinting.

5.6 (Intentionally left Blank)

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

5.8 Fencing and Walls.

- a. ***Golf Course Lots.*** All Lots that are adjacent to the golf course, lake and/or canals must have wrought iron fencing. The wrought iron fencing must be the type, quality and style approved by the ARC, must be consistent throughout the entire Resort, and must be painted with an oil-based, semi-gloss black paint. The fencing along the entire rear property line and twenty feet (20') along each side property line (measured from the rear property line and continuing toward the house) must be wrought iron. All of such lots must have wrought iron fencing between the house and the side property line so that the view of the golf course from each street within The Resort shall not be obstructed. 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. 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 that 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)



5.9 Flag Poles. Permanently installed flagpoles 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 GCV lots must be straight-in garages or swing front garages. Carports are not permitted.

5.11 Landscaping. Every site on which improvements have been made shall be landscaped according to approved plans and maintained thereafter in a well-kept condition. Landscaping approved by the ARC shall be commenced within 30 days and completed within 90 days after approval. All planted areas shall be provided with an underground irrigation system adequate to sustain normal growth.

- a. ***Groundcover for Lots facing Golf Course, Lake and Canal.*** Rear yard landscaping design of all lots that are adjacent to the golf course shall not deviate from the Community-Wide Standard of The Resort. Grass is the only groundcover permitted along the golf course so as to provide continuity of appearance between properties.
- b. ***Pre-Approved Trees.*** Trees to be planted on any lot must be a type, size and variety approved by Declarant. Each GCV lot shall have a minimum of two (2) three inch (3") caliper trees. A list of approved trees will be available from the Declarant and no trees, except those that are approved by Declarant in writing shall be permitted.

5.12 Mailboxes. All mailboxes erected within The Resort must be in compliance with all requirements of the U.S. Post Office. Additionally, mailboxes on all lots must be constructed of masonry material of the same type as that primarily used on the exterior residence located on such lot. The masonry portion of each mailbox structure facing the street must include a cast-stone plaque with the house number engraved thereon. The cast-stone plaques for all mailboxes must be consistent throughout The Resort. All mailboxes must be located at curbside on the inside radius of the drive approach.

5.13 Outdoor Lighting. U.L. approved low-voltage lighting systems are strongly recommended. Transformers must be concealed wherever possible. Cables must either be buried or concealed within the walls of a structure.

5.14 Retaining Walls. All retaining walls required to be constructed within The Resort (whether same are side yard, rear yard, sea wall, or otherwise) must consist of a masonry material and color approved by the ARC. Once approved, all retaining walls must be uniform throughout the entire Resort. The party making the cut requiring a retaining wall shall be required to construct the retaining wall at its expense. In no event shall railroad ties be permitted for use as retaining walls.

5.15 Painting. No paint colors other than those specifically approved by the ARC shall be permitted. Cleaning of brushes, rollers, spray guns, or any other equipment used for painting which results in residue entering the street gutters or sewers of The Resort is prohibited.

5.16 Patio Covers. Patio covers and the material from which they are constructed are subject to the prior approval of the ARC. Temporary free-standing sun shelters are permitted. Free-standing sun shelters which are set up or installed for more than five (5) consecutive days or on a continuing regular basis other than holiday weekends are not permitted without the prior approval of the ARC.

5.17 Playground Equipment. No playground equipment is permitted on decks or in the front, side or rear yard of any lot which is adjacent to the golf course.

5.18 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 or the golf course. 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 inspector prior to pouring of footings or guniting. The ARC may require an inspection of the location of forms and to verify setbacks.

5.19 Restricted Construction In Flood Hazard Area. No habitable structure may be constructed or maintained within the Flood Hazard Area. The flood hazard area consists of the 100-year flood plain. The "100-year flood plain" is defined as those areas subject to the 100-year

flood according to the most recent Federal Insurance Administration Flood Insurance Rate Maps published by the Department of Housing and Urban Development or as otherwise determined by the U.S. Army Corps of Engineers. After approval by the ARC, but at the sole and absolute risk of each Owner, patio decks, swimming pools and/or other approved landscaping and recreational uses may be constructed in the flood hazard area.

5.20 Roofing. Roof coverings must have a Class "A" or "B" fire rating and must be of an architectural grade composition with a minimum 300# weight, or of slate, tile, concrete, metal, or any new product approved by the ARC, and all roofs must fit such architectural standards as otherwise required by the ARC. Wood roofs are prohibited. Composition roofs are not restricted to specific brand names, however they must be of equal or better quality and appearance as Capstone or Slateline. Other styles or qualities of composition roofs may be used only with the approval, given on a case-by-case basis, of the ARC. Z-ridges are required on all roofs. All jacks, vents, dormers, and flashing must be painted to blend in with the roof color. All roof pitches shall be at least 8/12 pitch on a single story structure and 7/12 pitch on a two-story structure. The ARC must approve the pitch of each roof.

5.21 Setbacks and Height Limitations. In addition to all setback and height requirements set by any county or other governing entity having jurisdiction over same, the following setbacks and height limitations must be observed:

- a. **Swing entry garage.** Structures may not be closer than twenty feet (20') from the street.
- b. **Front entry garage.** Structures and equipment, including dwelling units, garages, swimming pools and walls may not be closer than twenty-five feet (25') from the street.
- c. **0 Lot Line side.** Structures may not be closer than 0 feet (0') from the property line.
- d. **Non-0 lot line side.** Structures may not be closer than ten feet (10') from the property line.

5.22 Shoreline Alterations. Prior to construction of any landscape features (i.e., waterfalls, walks, docks, etc.) that interrupt or affect the shoreline, plans shall be submitted for approval to both the Declarant and the ARC. No work shall commence until plans have been approved in writing by both entities. Each Member whose lot abuts the Lake is required to immediately repair any erosion to the shoreline abutting his or her lot in accordance with the specifications contained in the Lake Rules and Regulations or as otherwise provided by the ARC and/or Declarant.

5.23 Skylights. Skylight framing and flashing must be painted to blend with the roof in a manner and of a color approved by the ARC.

5.24 Solar Heating. Unless otherwise approved by the ARC, the use of solar heating and the installation of solar heating equipment is prohibited.

5.25 Statues, Fountains & Artwork. No statue, fountain, waterfall, or "artwork" of any kind may be installed or displayed which will be visible from the golf course, 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.

SECTION 6 RESTRICTIONS ON CONSTRUCTION

6.1 Working Without Approval. Contractors, subcontractors and vendors attempting to do exterior work that has not been approved by the ARC will be denied access until the owner files the appropriate paperwork and receives approval.

6.2 Construction Hours. Construction is limited to Monday through Friday 7:00 am. to 5:00 p.m.. No construction is permitted on Sunday or the following holidays: New Year's Day, Memorial Day, July 4th, Labor Day, Thanksgiving and Christmas.

6.3 Construction Debris. Trades people and residents are prohibited from sweeping, blowing or washing construction debris, oils, repair residue or any toxic or poisonous material into the street, golf course, GCV's or gutters. 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 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. Cleaning of concrete or cement handling tools or equipment that 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 that may occur on the sites.

6.8 Hydrant Hoses. Owners are prohibited from using the Association's fire hydrants for any reason.

6.9 Utility Lines. Requests for additional phone, fax or cable lines that require a cut to streets or concrete walks must be coordinated with the ARC and the appropriate utility provider.

6.10 No Open Fires. Fires are prohibited at all times even in instances where they are protected by trash cans or other containers.

6.11 Street Maintenance. Damage to the Association's streets must be repaired in a timely fashion to the street's original condition or better. Accumulation of sand, dirt, etc., due to construction activity must be removed promptly as needed. A final street sweeping must be performed at the conclusion of construction.

SECTION 7 RULES ENFORCEMENT PROCEDURES

7.1 Owner Responsible for Compliance. All persons in The Resort must comply with the Association's Architectural Rules. The Owner shall be responsible for any Architectural violations he permits on his or her lot. The Association reserves the right to exclude any vendor or service person from entry if such person continues in violation.

7.2 Complaints Must Be in Writing. Residents may file written complaints with the ARC if they believe any member of the Association has violated The Resort's Architectural

Rules. Upon receipt of the complaint, the ARC will inspect the alleged violation and take appropriate action.

7.3 Complaints Available for Viewing. Owners shall have the right to view complaints on file with the Association but only if the complaints pertain to the Owner.

7.4 Enforcement. Violation of the Architectural Rules can result in enforcement as set out in Article IV of the Declaration and/or one or more of the following, depending on the severity of the violation:

- a. **Monetary Penalties.** Subject to the hearing procedures described below violations of Architectural Rules may result in a daily fine against an Owner until such time as the violation is corrected. Such fines shall constitute a special assessment against the Owner and are due within thirty (30) days of the issuance of the ruling. Depending on the severity and frequency of the violation, fines may vary from \$20.00 to \$1,000.00 per violation.
- b. **Suspension of Construction.** Working in violation of these Architectural Rules can result in immediate suspension of construction and the denial of entry into The Resort of construction workers.
- c. **Suspension of Privileges.** Membership privileges of an Owner and/or resident may be suspended.
- d. **Publishing of Names.** The names of residents who are in violation of the Architectural Rules may be published to the membership.
- e. **Judicial Enforcement.** The Association may take legal action for damages and/or injunctive relief.
- f. **Recording Notice of Non-Compliance.** A "Notice of Non-Compliance" may be recorded against the lot identifying the noncomplying improvement or repairs and setting forth the basis of such non-compliance.

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

- a. **Notice.** Notice shall be given either personally or by prepaid first-class mail to the most recent address as shown in the Association's records. The notice will describe the nature of the violation; the proposed penalty; the date and location of a hearing; the Owner's right to present evidence in his or her defense; and the Owner's right to representation. Such notice shall be sent at least fifteen (15) days before the proposed date of the hearing.

b. **Hearing.** The accused shall be given an opportunity to be heard, either orally or in writing, at a hearing to be held by the Board of Directors who shall hear the charges and evaluate the evidence of the alleged violation. The hearing shall be held in executive session if so requested by the person being disciplined.

c. **Notice of Decision.** After the conclusion of the hearing, the Board shall give notice of its decision by mail, which notice shall specify the Architectural Rule violated and the penalty imposed.

d. **Correction of Violation.** If the violation is corrected prior to the hearing date, the hearing will be discontinued.

7.6 Attorneys' Fees. If the Association is required to take legal action to enforce the Architectural Rules against an Owner, that Owner will be assessed for all attorneys' fees and costs incurred by the Association.

Exhibit "D"

**THE VILLAS
RULES AND REGULATIONS**

Unofficial
Document

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THE VILLAS RULES AND REGULATIONS

The residents of The Resort at Eagle Mountain Lake believe our Villas 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 that have 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 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.

1.4 Commercial Photography. Commercial photography and videotaping are not allowed on The Resort at anytime without prior written approval of the Board of Directors.

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

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

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

- a. **Walkway Encroachments.** No landscaping may be allowed to overhang or otherwise encroach on any sidewalk or other pedestrian walkways.
- 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 Golf Course are to be trimmed in order to preserve the view and prevent tree limbs and/or branches from hanging onto the 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 or gutters.
- 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 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 Golf Course from any street facing a Lot.

1.8 Littering. Littering of any kind is strictly prohibited.

1.9 Mailboxes. Only posted mailing material delivered by a U. S. postal carrier may be deposited in mailboxes or mail slots.

1.10 Noise. No resident or invitee may make unreasonable noise which disrupts the peace and quiet of other residents. Exterior speakers are not permitted on any home. Musical instruments, radios, televisions, stereos, etc. may NOT be played if it unreasonably disturbs or annoys other residents. Because nuisance noise is largely subjective, the Association cannot involve itself in every dispute which may arise between two or more owners. As a matter of practicality and as a benefit to its membership as a whole, the Board has adopted the following standard for determining when the Association will become involved in such disputes:

- a. **Multiple Neighbors.** If the noise is such that it disturbs more than one neighbor, the Association may take appropriate action to abate the nuisance if the affected residents request in writing that action be taken by the Board.
- b. **Single Unit.** If the noise is such that it only disturbs a single neighbor, then the disturbance is not sufficient to cause intervention by the Association and the two neighbors must resolve their dispute as provided for in Section 13.2 of the Declaration.

1.11 Residential Use Only. No residential Lot Owner may use his or her Lot to be used for any purpose other than as a private single-family residence. No residence shall be occupied by more than a single family. For purposes of this restriction, a single family shall be defined as any number of persons related by blood, adoption, or marriage, living with not more than one person who is not so related as a single household unit, or no more than two persons who are not so related living together as a single household unit, and the household employees of either such household unit.

- 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.

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 statues, laws or ordinances governing same. All other signs on any Lot are prohibited. The Board and Declarant or its agents shall have the right to remove any sign, billboard or other advertising structure that does not comply with the above, and in so doing shall not be subject to any liability for trespass or otherwise in connection with such removal.

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

**SECTION 2
SAFETY AND SECURITY**

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

Because the Association can only provide a *limited* degree of control over access to The Resort and must do so within a limited budget, you should NOT RELY on the Association's personnel

to protect you from loss or harm. Because The Resort can never be fully secure, we ask that you provide for your own security by taking common sense safety and security precautions such as: carrying insurance against loss; keeping your house and car doors locked; refusing to open your door to strangers; installing a peep hole in the front door; asking workmen for identification; installing a security system in your house; reporting anyone who looks suspicious, parking your vehicles in the garage, keeping the garage doors closed, padlocking your boat, etc.

2.2 Removal of Vehicle Decals. To limit unauthorized access to The Resort, residents must remove the decals from any car they (i) immediately upon the sale or transfer of such car, and/or (ii) immediately upon such time as a resident no longer resides within The Resort.

2.3 Parties. The Owner or resident tenant must be on the premises during the event of a party. If the party or participants of the party disrupts the peace and quiet of the community, the resident will be instructed to stop the disruption or to end the party. If the resident does not cooperate, the resident will be subject to fines and penalties and the Police will be notified.

2.4 Playing in the Streets. The streets of The Resort are for vehicular traffic only. Sport activities are not allowed in the streets or common areas at any time. No structures or materials for sports activity are to be placed in the streets.

2.5 Graffiti. Defacing signs, graffiti, and vandalism to Association property is strictly prohibited and can result in criminal prosecution in addition to fines, potential civil litigation and loss of privileges.

2.6 Curfew. Children under the age of eighteen (18) may not loiter on the streets after 10:00 p.m.

2.7 Process Servers. By statute, the Association cannot prevent licensed process servers from entering The Resort. Furthermore, representatives of governmental agencies may also have the right to enter The Resort. As a result, the Association cannot, nor should it, shield residents from process servers or governmental agencies.

2.8 Cooperation With Governmental Agencies. The Resort follows and complies with the laws enforced by the all applicable authorities and provides full cooperation with all governmental and public agencies.

SECTION 3 ENTRY GATE PROCEDURES

3.1 Vehicle Decals. To drive through the "entry" at the guardhouse, residents must have current decals evidencing residency in The Resort and such decals must be visible and permanently affixed on the lower right side of the front vehicle window for the guards to see. To

receive a decal for your vehicle you must (i) submit a completed resident card, (ii) provide a copy of your vehicle registration, and (iii) be current in the payment of your assessments and charges.

3.2 Notice of Guests. All residents are responsible for advising the security guards in advance of any expected guests. This approach permits the guards to clear your guests without delay. If more than five guests are expected, an alphabetical list of guests with the expected date and time of arrival must be delivered to the guardhouse. Residents must give the security guards at least 24 hours advance notice of any party by submitting an alphabetical list of guests.

3.3 Notice of Deliveries. Residents must notify the guards in advance whenever they expect a delivery. If the delivery person arrives and the resident has not cleared them and the guard cannot reach the resident at home, the delivery person will be turned away. Note: The guards are prohibited from accepting packages, mail or any item for a resident either for delivery or pick-up.

3.4 Notice of Services & Repairs. Resident must notify the guards in advance of service or repair vendors. Regular services such as housecleaning, gardening, pool maintenance, etc., can be set up in advance by completing the resident card. If the resident does not provide advance clearance, or is not home, the service or repair person will be denied access.

3.5 Restricted Hours for Vendors. Resident non-construction services and repairs are permitted Monday through Friday 7:00 a.m. to 6:00 p.m. Saturday services and repairs are limited to interior work plus gardening, pool maintenance and insect extermination from 9:00 a.m. to 5:00 p.m. Residents are urged to schedule gardening, pool maintenance and insect extermination during the week. Residents who perform their own repairs and services are asked to abide by the same work hours and rules. Emergency repairs for air conditioning, heating, broken plumbing, or other emergencies requiring immediate attention, may be scheduled as permitted in Section 6.6 hereof.

SECTION 4 VEHICLES AND PARKING

4.1 Suspension of Driving Privileges. All streets within The Resort are private and visitors who fail to abide by The Resort's driving and parking rules can be denied entry into The Resort. Residents who fail to abide by The Resort's driving and parking rules can, in addition to being fined, have their driving privileges suspended for up to thirty days per infraction.

4.2 Speed Limit. The speed limit within The Resort is 25 miles per hour. Violations can result in citations by local law enforcement officials in addition to fines by the Association and suspension of driving privileges.

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

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

4.5 Prohibited Vehicles. No vehicle of any size which transports inflammatory or explosive cargo may be kept within The Resort at any time.

4.6 Vehicles Parked on Lots in Public View. All automobiles parked on any Lot within the view of public shall be in good operating condition, shall have current license plates, inspection stickers and registrations and shall be used as motor vehicles on the streets and highways of the State of Texas.

4.7 Vehicle Leaks. Residents or invitees whose vehicles leak oil or other liquids must clean up the street promptly. 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. 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. Violation of this rule can result in cleanup costs and fines of \$200.00 for the first offense and \$500.00 for each offense thereafter.

4.11 Garage and Garage Doors. Residents are prohibited from altering their garages to preclude the two-car parking space requirement. Garage Doors are to remain closed at all times when the garage is not being used by the resident.

4.12 Inoperable Vehicles. Vehicles which are inoperable, unlicensed, or have expired registration tags must be parked completely inside the resident's enclosed garage.

4.13 Motorcycles, Motor Scooters and Mopeds. Residents who own these types of vehicles are permitted to operate them on the Resort's streets for the sole purpose of transportation to and from home. No cruising is allowed. Non-residents are not permitted to bring these vehicles into The Resort and must leave them parked at the security guardhouse.

4.14 Parking. Every home on The Resort has at least a two-vehicle garage, plus room for two vehicles in the driveway. Residents are strongly encouraged to park their vehicles in their garage or driveway. Parking on the streets shall be for temporary purposes only, as set out in Section 4.17 below.

- a. **Blocking Sidewalks.** Vehicles are not to block sidewalks or pedestrian trails.
- b. **Blocking Driveways.** No driveway may be blocked except by permission of the resident.
- c. **Boats, Trailers, Commercial Vehicles and Truck Campers.** No boat, trailer, commercial vehicle, truck or other vehicle in excess of one (1) ton (as characterized by the manufacturer and not by weight), vehicle with painted advertisement, jet skis or other water vehicles, aircraft, truck campers, unattached pick-up camper or similar vehicle or equipment shall be parked overnight or stored in the driveway or on any part of the yard of any Lot or parked on any street within The Resort. All such vehicles must be parked in the garage and not visible from the streets, golf course, or neighboring properties, or same must be stored outside of The Resort. Notwithstanding the foregoing, any vehicles that are used by builders, developers and contractors during the construction of improvements within The Resort shall be permitted and moving vans used only by movers during the process of moving into and out of The Resort shall be permitted.
- d. **Limousines.** Limousines are not allowed to park over night on the streets. They must be parked in the garage or in the driveway.
- e. **Motorhomes.** Overnight parking of motor homes will be permitted for a period not to exceed 48 hours for the purpose of loading and unloading. The Resort Security will issue a temporary permit which must be displayed in the driver's window. Motor homes owned or rented by guests may not park overnight on The Resort's streets or on the homeowner's driveway or yard.

4.15 Parking for Parties. The Resort has limited parking. Residents are encouraged to have guests carpool if at all possible. A gathering that will result in more than ten cars must be coordinated with the security guards in advance. The Resort reserves the right to refuse entry of vehicles if the potential for a hazardous situation may be caused by the additional traffic being allowed on The Resort.

4.16 Vehicles with Signs. Vehicles with signage of any kind must be parked in the Owner's garage.

4.17 Parking on Streets. Parking on streets within The Resort shall be for temporary purposes only and shall not be permitted for the regular and on-going overnight or daily parking of vehicles or for the storage of vehicles. If you must park in the street, as a courtesy, please park in front of your residence.

4.18 Parking Violations. Any vehicle parked or stored in violation of this section or parked or stored in violation of any other parking rules promulgated by the Association may be towed by the Association retrievable at the owner's expense.

SECTION 5 PET RULES

5.1 Types of Pets. No animals or livestock shall be raised, bred or kept on any Lot except that dogs, cats or other household pets may be kept for the purpose of providing companionship for the private family. Animals are not to be raised, bred or kept for commercial purposes or for food. It is the purpose of these provisions to restrict the use of the Lots so that no person shall quarter on the premises cows, horses, hogs, guinea fowls, ducks, chickens, turkeys, skunks or any other animals that may interfere with the quietude, health or safety of the community.

5.2 Number of Pets. No more than three (3) household pets will be permitted on each Lot. Pets must be restrained or confined by their Owner to the 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 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. 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 The Resort ARC. Exterior modifications include painting, windows, doors, roofs, remodeling, repairs, major landscaping, tree planting or removal, concrete work or any other type of exterior work. In advance of any construction, repair or upgrading, residents must obtain ARC approval. Copies of the The Resort Construction Work Rules, the Architectural Committee Rules and the Architectural Application are available from the Association. Construction that requires a permit from any governmental authority or agency must be approved by the ARC *prior to* the submission of an application to the governing authority issuing a permit. The Resort Architectural Rules are in addition to all governmental codes and requirements.

6.2 Working Without Approval. Vendors attempting to do exterior work that has not been approved by the ARC will be denied access until the owner files the appropriate paperwork and receives approval.

6.3 Non-Vendor Work. Homeowners performing their own work are asked to abide by the same rules and work hours.

6.4 Construction Schedule. Approved construction is limited to Monday through Friday 7:00 a.m. to 5:00 p.m. No construction is permitted on Sunday or the following holidays: New Year's Day, Memorial Day, July 4th, Labor Day, Thanksgiving and Christmas.

6.5 Non-Construction Vendor Services. Vendors are permitted on The Resort to perform services Monday through Friday 7:00 a.m. to 6:00 p.m. and Saturday 9:00 a.m. to 5:00 p.m. The following activities may be permitted on Saturday provided the work is indoors and the noise does not disrupt the peace and quiet of the neighbors: carpet and other flooring; interior wall covering; interior decorating; interior painting; appliance repair; interior cabinet and carpentry work; and plumbing & electrical work.

6.6 Emergency Repairs. Notify the guards when an emergency repair such as plumbing or utilities are required during off hours or on Sunday. Unusual requests for emergency repairs will be evaluated and approved by the The Resort Board.

6.7 Construction Debris. Trades people and residents are prohibited from sweeping, blowing or washing construction debris, oils, repair residue or any toxic or poisonous material into the street or gutters. 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 & 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. Flags must be removed after the open house each day. Directional signs on other property or common areas are prohibited. Real Estate agents who show property must accompany prospective clients onto and off The Resort. Agents are required to accompany their clients to any house being shown. When a prospective client comes to see an open house without an appointment, the security officer on duty will refer the client to the showing agents or "for sale by owner" residents on a rotating basis without favoritism. Agents who fail to comply with the rules will be excluded from the rotation list. Real Estate agents, brokers or sales persons are to advise prospective buyers that The Resort is a community governed by CC&R's and Rules & Regulations.

7.2 Homes for Sale by Owner. Except for the licensing requirement, owners who market their own homes must also comply with these rules.

7.3 Real Estate Signs. Real estate signs may not exceed three square feet in size and are limited to stake signs only (no colonial signs) and are limited to one sign on the street side and one on the lake side of the property. Real Estate signs must be removed upon completion of the sale.

7.4 Tenants. Homeowners who rent or lease their residence are required to execute a written lease agreement, signed by the tenant and returned to the Association prior to the tenant's possession of the residence. The lease shall contain, at a minimum, the following terms:

- a. **Term of Lease.** Initial term of the lease shall be at least one (1) year.
- b. **Entire Residence.** The property leased includes the entire residence.
- c. **Abide by Rules.** The Owner must make available to the Tenant copies of the CC&R's, Architectural Rules, and the Rules and Regulations, and all amendments thereto. Tenant agrees to abide by The Resort's CC&R's, Architectural Rules, and Rules and Regulations and Tenant must acknowledge that failure to do so constitutes a default under the lease. Tenants must also acknowledge receipt of same.
- d. **No Assignments or Subleases.** There shall be no right of assignment or sublease of the Residence.
- e. **Renter's Insurance.** Tenant shall carry "renters insurance."

SECTION 8
RESTRICTED USES, RESTRICTED ACTIVITIES
AND PROHIBITED CONDITIONS

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

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

8.3 Air Conditioning Units and Similar Equipment.

- a. **Air Conditioning Units.** No window air conditioning unit or evaporative cooler may be installed in any residence. No air-conditioning apparatus shall be installed on the ground in front of a residence or on the side of the residence in view of any public street. All air-conditioning equipment must be installed in the rear yard or on the side yard completely screened from the street or streets fronting the Lot on which it is placed.
- b. **Energy Conservation Equipment.** No solar energy collector panels or attendant hardware or other energy conservation equipment shall be constructed or installed in any residence unless it is an integral and harmonious part of the architectural design of a structure, as determined in the sole discretion of the ARC. No windmills, wind generators, or other apparatus for generating power from the wind shall be erected or installed on any Lot without first obtaining the express written consent of the Declarant and the Board.

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

8.5 Pools. All pools, jacuzzis, whirlpools, spas, ponds, fountain pools, and similar pools must have the prior written consent of the ARC. No above-ground swimming pools shall

be erected, constructed or installed on any Lot. Jacuzzis, whirlpools, or spas, which are approved in writing by the Board and Declarant and ARC, shall not be considered an above-ground pool.

8.6 Removal of Trees. No trees within the Resort being ten inches (10") in caliper or greater (except for those which are diseased or dead or create a safety hazard) shall be removed except upon written consent from the Board, Declarant and/or the committee having jurisdiction of this matter. In the event of an intentional or unintentional violation of this provision, the violator may be required by the Board, Declarant or the committee having jurisdiction over this matter to replace the removed tree with one or more comparable trees of such size and number and in such locations as such Board, Declarant and/or committee may determine necessary, in its sole discretion, to mitigate the damage.

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

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

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

- a. Any activity that 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 that 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 management of the Resort).
- g. Dumping grass clippings, leaves or other debris, petroleum products, fertilizers, or other potentially hazardous or toxic substances in any drainage ditch, stream, pond, or lake, or elsewhere within The Resort, except that fertilizers may be applied to landscaping on Lots provided care is taken to minimize runoff, and Declarant and Builders may dump and bury rocks and trees removed from a building site on such building site.
- h. Obstruction or rechanneling drainage flows after location and installation of drainage swales, storm sewers, or storm drains, except that Declarant and the Association shall have such right; provided, the exercise of such right shall not materially diminish the value of or unreasonably interfere with the use of any Lot without the Owner's consent.
- 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 any thing, permanently or temporarily, on the exterior portion of any improvement on a lot or elsewhere on a lot, whether the lot is improved or unimproved, without the prior written consent of the ARC including, without limitation, signs, basketball hoops, swing sets and similar sports and play equipment, woodpiles, docks, piers and similar structures, and hedges, walls, dog runs, animal pens, or fences of any kind.
- s. Plants, animals, devices or other things of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of The Resort.
- t. Structures, equipment or other items on the exterior portions of a Lot that have become rusty, dilapidated or otherwise fallen into disrepair.

SECTION 9 RULES ENFORCEMENT PROCEDURES

9.1 Responsibility for Rules & Regulation Violations. All persons in The Resort must comply with the Rules & Regulations of The Resort. The responsibility for compliance with all rules rests primarily with the property owner although the owner's relatives, tenants, guests, invitees, vendors or service personnel may be in violation. The Association reserves the right to exclude any vendor or service person from entry in The Resort if such person continues in violation.

9.2 Complaints. Residents may file written complaints with the Board for any violation of the Bylaws, CC&R's or Rules and Regulations, by completing a complaint form. Forms are available from the Association. Complaint forms must be signed by the person lodging the complaint.

9.3 Complaints Available for Viewing. Residents shall have the right to view written complaints on file with the Association if the complaints pertain to the person or their property.

9.4 Penalties. Violation of the Association's Bylaws, CC&R's, or Rules and Regulations can result in written warnings, fines, suspension of privileges, and/or legal action depending on the severity of the violation. Following is a description of the actions which may be taken.

- a. **Monetary Penalties.** Subject to the hearing procedures described in these Rules, violations by an Owner or the Owner's family, tenants, guests, agents, employees, licensees, servants, or invitees may result in a fine being levied against the Owner. Such fines shall constitute a special assessment against the Owner and are due within thirty (30) days of the issuance of the ruling. Depending on the severity and frequency of the violation, fines will be levied as set from time to time by the Association and/or the Board.
- b. **Suspension of Privileges.** Membership privileges of an Owner and/or resident may be suspended. The suspension of privileges shall include but not be limited to the following:
 - i. **Street Parking Privileges.** Resident will not be able to park on the Association's streets for a fixed period of time. The resident's cars must be parked in the garage, the driveway or, if there is no room, off site.
 - ii. **Entry Gate Privileges.** Residents will be "red carded" at the gate which means all guests, invitees, agents, employees and servants will be turned away from the gate and told to call the resident from a pay phone so the resident can meet the guest at the gate and escort the guest into The Resort.
 - iii. **Vehicle Decals.** No new vehicle decals will be issued to the resident or his or her family members until the cause of the suspension has been cured.
- 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 attorneys fees, recordation of the lien, preparation of the lien instrument, and court costs);
- b. ***Pays Under Protest.*** Pays Under Protest indicates the payment is made "under protest," and
- c. ***Pays Within Thirty Days.*** Makes the payment in full within thirty (30) days from the recording of the notice of delinquent assessment.

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

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

Umoftic's Document

EXHIBIT E

EXHIBIT "E"

TRACT I

Being a 2.857 acre tract of land situated in the D.M. Davis Survey, Abstract No. 446, the M.E.P.&P.R.R. Co. Survey, Abstract No. 1120, the Thomas Robinson Survey, Abstract No. 1309, and the J. Wilcox Survey, Abstract No. 1722 in the City of Fort Worth, Tarrant County, Texas, and being a portion of a 0.70 acre tract of land conveyed to Galloping Meadows, L.P. as recorded in Volume 14503, Page 0491 of the Deed Records of Tarrant County, Texas, and a 42.8034 acre tract of land conveyed to Kruse Farms, a Texas general partnership, as recorded in Volume 14503, Page 492 of the Deed Records of Tarrant County, Texas, and being more particularly described by metes and bounds as follows:

COMMENCING at a 5/8 inch found iron rod at the Northeast corner of said Galloping Meadows Tract;

THENCE South 89 degrees 15 minutes 54 seconds West, a distance of 352.92 feet to a set 1/2 inch iron rod with a yellow plastic cap stamped "Half Assoc. Inc." (hereinafter referred to as "with cap") for the POINT OF BEGINNING;

THENCE South 00 degrees 45 minutes 42 seconds East a distance of 1119.18 feet to a set iron rod with cap for corner;

THENCE South 89 degrees 14 minutes 18 seconds West a distance of 108.79 feet to a set iron rod with cap for corner;

THENCE North 01 degrees 00 minutes 23 seconds West a distance of 1081.08 feet passing a 100D Nail, and in all 1119.24 feet to a set iron rod with cap for corner;

THENCE North 89 degrees 15 minutes 54 seconds East a distance of 113.57 feet to the POINT OF BEGINNING and containing 124,431 square feet, 2.8565 acres of land, more or less.

TRACT II:

Being a 9.528 acre tract situated in the D.M. Davis Survey, Abstract No. 446, the M.E.P. & P. RR. Co. Survey, Abstract No. 1120, the Thomas Robinson Survey, Abstract No. 1309, and the J. Wilcox Survey, Abstract No. 1722, in the City of Fort Worth, Tarrant County, Texas, and being portions of a 311.92 acre tract of land conveyed to The Resort at Eagle Mountain Lake, L.L.P. as recorded in Volume 13521, Page 368 of the Deed Records, Tarrant County, Texas, a 0.70 acre tract of land conveyed to Galloping Meadows, L.P., as recorded in Volume 14503, Page 491 of the Deed Records, Tarrant County, Texas, and a 42.8034 acre tract of land conveyed to Kruse Farms, a Texas general partnership, as recorded in Volume 14503, Page 492 of the Deed Records, Tarrant County, Texas, and being more particularly described by metes and bounds as follows:

COMMENCING at a 5/8 inch found iron rod at the Southeast corner of Lot 1, Block 3, of The Resort at Eagle Mountain Lake Phase One Addition as recorded in Cabinet A, Hanger 5588 of the Plat Records of Tarrant County, Texas, said point being in the West right-of-way of Indian Creek Drive (a 60 foot right-of-way);

THENCE South 30 degrees 45 minutes 53 seconds East, departing the South line of said Lot 1, Block 3, and along the West line of said Resort Phase One Addition and said West right-of-way line of Indian Creek Drive, a distance of 369.52 feet to the point of curvature of a circular curve to the right having a radius of 50.00 feet;

THENCE Southwesterly, continuing along said West Resort Phase One Addition line and said West right-of-way line of Indian Creek, and along said curve through a central angle of 81 degrees 19 minutes 06 seconds, an arc distance of 70.96 feet to a 1/2 inch set iron rod with a yellow plastic cap stamped "HALFF ASSOC. INC." (hereinafter referred to as "with cap") on the North right-of-way line of Resort Boulevard (a 60 foot right-of-way) for the POINT OF BEGINNING;

THENCE South 40 degrees 38 minutes 55 seconds East, a distance of 60.0 feet to a 1/2 inch set iron rod with cap for corner on the South right-of-way line of said Resort Boulevard;

THENCE South 49 degrees 21 minutes 05 seconds West, along the South right-of-way of Resort Boulevard, a distance of 390.25 feet to a 1/2 inch set iron rod with cap for corner and beginning a curve to the right having radius distance of 480.00 feet;

THENCE Southwesterly, continuing along said South right-of-way line of Resort Boulevard and along said curve through a central angle of 39 degrees 56 minutes 35 seconds, an arc distance of 334.63 feet and whose chord bears South 69 degrees 19 minutes 23 seconds West, a distance of 327.89 feet to a 1/2 inch set iron rod with cap for corner;

THENCE South 89 degrees 17 minutes 40 second West, continuing along said South right-of-way line of Resort Boulevard, a distance of 134.51 feet to a 1/2 inch iron rod with cap for corner;

THENCE South 00 degrees 45 minutes 42 seconds East, departing the South right-of-way line of Resort Boulevard, a distance of 1167.91 feet to a 1/2 inch iron rod with cap for corner;

THENCE South 89 degrees 14 minutes 18 seconds West, a distance of 72.73 feet to a 1/2 inch set iron rod with cap for corner on the East right-of-way line of Portwood Way (a 60 foot right-of-way);

THENCE South 22 degrees 33 minutes 35 seconds East, along said East right-of-way line of Portwood Way, a distance of 284.78 feet to a 1/2 inch set iron rod with cap for corner and the beginning of cul-de-sac curve to the left having a radius of 75.00 feet;

THENCE Southeasterly, along the East right-of-way line of Portwood Way and along said curve through a central angle of 45 degrees 34 minutes 23 seconds, an arc distance of 59.65 feet, whose chord bears South 45 degrees 20 minutes 46 seconds East, a distance of 58.09 feet to a 1/2 inch set iron rod with cap for corner and the beginning of a reverse cul-de-sac to the right having a radius of 75.00 feet;

THENCE Southwesterly, along said cul-de-sac curve through a central angle of 271 degrees 03 minutes 46 seconds, an arc distance of 354.92 feet to a 1/2 inch set iron rod with cap for point; whose chord bears South 67 degrees 26 minutes 25 seconds West, a distance of 105.00 feet and beginning of a reverse cul-de-sac curve to the left having a radius of 75.00 feet;

THENCE Northeasterly, along the West right-of-way line of said Portwood Way and along said curve through a central angle of 45 degrees 34 minutes 23 seconds, an arc distance of 59.65 feet, whose chord

bears North 00 degrees 13 minutes 36 seconds East, a distance of 58.09 feet to a 1/2 inch set iron rod with cap for corner at the end of the said cul-de-sac;

THENCE North 22 degrees 33 minutes 35 seconds West, continuing along the West right-of-way line of said Portwood Way, a distance of 223.15 feet to a 1/2 inch set iron rod with cap for corner;

THENCE South 67 degrees 26 minutes 25 seconds West, departing the West right-of-way line of said Portwood Way, a distance of 100.00 feet to a 1/2 inch set iron rod with cap for corner;

THENCE North 22 degrees 33 minutes 35 seconds West, a distance of 165.87 feet to a 1/2 inch set iron rod with cap for corner;

THENCE North 00 degrees 45 minutes 42 seconds West, a distance of 1,020.63 feet to a 1/2 inch set iron rod with cap for corner;

THENCE North 39 degrees 29 minutes 03 seconds West, a distance of 22.55 feet to a 1/2 inch set iron rod with cap for corner on the South right-of-way line of Resort Boulevard;

THENCE North 47 degrees 02 minutes 08 seconds West, a distance of 60.46 feet to a 1/2 inch set iron rod with cap for corner on the North right-of-way line of Resort Boulevard and the beginning of a non-tangent curve to the right having a radius of 480.00 feet;

THENCE Northeasterly, along said non-tangent and along the North right-of-way line of Resort Boulevard, through a central angle of 39 degrees 43 minutes 39 seconds, an arc distance of 332.82 feet, whose chord bears North 69 degrees 25 minutes 51 seconds East, a distance of 326.19 feet to a 1/2 inch set iron rod with cap for corner;

THENCE North 89 degrees 17 minutes 40 seconds East, a distance of 145.47 feet to a 1/2 inch set iron rod with cap for corner and the beginning of a curve to the left having a radius of 420.00 feet;

THENCE Easterly, continuing along said North right-of-way line of said Resort Boulevard and along said curve through a central angle of 39 degrees 56 minutes 35 seconds, an arc distance of 292.80 feet, whose chord bears North 69 degrees 19 minutes 23 second East, a distance of 286.90 feet to a 1/2 inch set iron pin with cap for corner;

THENCE North 49 degrees 21 minutes 05 seconds East, along said North right-of-way, a distance of 390.25 feet to the POINT OF BEGINNING and continuing 415.042 square feet or 9.528 acres of land, more or less.

The Company is prohibited from insuring the area or quantity of the land described herein. Therefore, the Company does not represent that the acreage or square footage calculations are correct. References to quantity are for informational purposes only.

The Resort @ Eagle Mt. Lake.

C/o Carista Ragaw

1905 Industrial Blvd.

Colleyville, TX 76034

Online's Document

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THE RESORT @ EAGLE MOUNTAIN
1905 INDUSTRIAL BLVD
C/O CARISTA RAGAN
COLLEYVILLE, TX 76034

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