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DECLARATION OF RESTRICTIVE COVENANTS

33 Pages

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STATE OF TEXAS

COUNTY OF HARRISON

I hereby certify that this instrument was filed on the date and time stamped hereon by me and was duly recorded in the Official Public Records of Harrison County, Texas.

Elizabeth James
Elizabeth James, Harrison County Clerk

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TEXAS LAND & LAKES
1620 E. BELT LINE ROAD

CARROLLTON, TX 75006

**BYLAWS FOR
BIG ROCK LAKE PROPERTY OWNERS ASSOCIATION, INC.**

ARTICLE 1: ASSOCIATION NAME PRINCIPAL OFFICE, AND DEFINITIONS

1.1 Name. The name of the corporation is BIG ROCK LAKE PROPERTY OWNERS ASSOCIATION, INC. (the "Association"), a Texas nonprofit corporation.

1.2 Principal Office. The principal office of the Association shall be located in the State of Texas. The Association may have such other offices, either within or outside the State of Texas, as the Board of Directors may determine or as the affairs of the Association may require.

1.3 Definitions. The words used in these Bylaws shall be given their normal, commonly understood definitions. Capitalized terms shall have the same meaning as set forth in Exhibit 1, attached hereto and by this reference incorporated herein, unless the context indicates otherwise. When the context requires, singular nouns include the plural and vice versa.

ARTICLE 2: ASSOCIATION MEMBERSHIP MEETINGS, QUORUM, VOTING, PROXIES

2.1. Membership. The Association shall have Members. "Member" shall have the meaning set forth in the Declaration and shall mean and refer to every person or entity that holds a membership in the Association.

Voting.

2.2. Number of Votes. Members shall have one (1) equal vote for each Tract in which they hold the interest required for membership under the Declaration; provided, however, there shall be only one (1) vote per Tract and no vote shall be exercised for any property which is exempt from assessment, provided further that notwithstanding anything to the contrary herein, all developer-owned Tracts and those individuals, entities and/or Builders that own in excess of two Tracts shall have voting rights equal to one (1) vote per Tract owned even though some of the Tracts may be exempt from assessments (i.e. an individual owns three Tracts and under the Restrictions is only obligated to pay assessments on two Tracts but still shall have three votes as long as the assessments for the two Tracts are current).

2.3. Additional Classes of Membership. The Declarant may, by Supplemental Declaration, create additional classes of membership for the Owners of Tracts within any Additional Property made subject to the Declaration or these Bylaws, with such rights, privileges and obligations as may be specified in such Supplemental Declaration, in recognition of the different character and intended use of the property subject to such Supplemental Declaration.

2.4. Exercise of Voting Rights by Members. Except as otherwise specified in this Declaration or these Bylaws, the vote for each Tract owned by a Member shall be exercised by the Member representing the Tract. The Member shall cast all such votes in the manner provided in these Bylaws. No vote shall be exercised on behalf of any Tract if any assessment for such Tract is delinquent.

In any situation where a Member is entitled personally to exercise the vote for his or her Tract and there is more than one (1) Owner of such Tract, the vote for such Tract shall be exercised as the co-owners determine among themselves and advise the secretary of the Association in writing prior to the vote being taken. Absent such advice, the Tract's vote shall be suspended if more than one (1) Person seeks to exercise it.

Meetings.

2.5. **Place of Meetings.** Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Members as the Board may designate, either within the Big Rock Lake subdivision or as convenient as is possible and practical. Meetings may be held by means of telephone conference, video-conference or similar communications equipment, by means of which all persons participating in the meeting can converse with each other. Participation by one of these methods shall constitute presence in person at such meeting.

2.6. **Annual Meetings.** Meetings shall be of the Members. Regular meetings shall be held annually on a date and at a time set by the Board.

2.7. **Special Meetings.** The president may call special meetings. In addition, it shall be the duty of the president to call a special meeting within thirty (30) days if so directed by resolution of the Board or upon a petition signed by the Members representing at least ten percent (10%) of the total votes in the Association or upon written request of the Declarant.

2.8. **Notice of Meetings.** Written notice stating the place, day, and time of any meeting of the Members shall be delivered to each Member entitled to vote at such meeting, not less than ten (10) nor more than sixty (60) Days before the date of such meeting, by or at the direction of the president or the secretary or the officers or persons calling the meeting. In the case of a special meeting or when otherwise required by statute or these Bylaws, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice.

2.9. **Waiver of Notice.** Waiver of notice of a meeting of the Association shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Association, either before or after such meeting. Attendance at a meeting shall be deemed a waiver of any objection as to notice of the time, date, and place thereof, unless a specific objection as to the lack of proper notice is given at the time the meeting is called to order. Attendance at a meeting also shall be deemed a waiver of notice of all business transacted at such meeting unless an objection on the basis of lack of proper notice is raised before the business is put to a vote.

2.10. **Adjournment of Meetings.** If any meeting of the Association cannot be held because a quorum is not present, Members representing a Majority of the votes represented at such meeting may adjourn the meeting to a time not less than five (5) nor more than thirty (30) Days from the time the original meeting was called. At the reconvened meeting, if a quorum is present, any business may be transacted which might have been transacted at the meeting originally called. If a time and place for reconvening the meeting is not set by those in attendance at the original meeting or if for any reason a new date is set for reconvening the meeting after adjournment, notice for reconvening the meeting shall be given to Members in the manner prescribed above.

2.11. **Voting.** The voting rights of the Members shall be as set forth in the Declaration and in these Bylaws, and such voting rights provisions are specifically incorporated by this reference. The Board may adopt policies and procedures regarding the methods of casting votes, such as written ballots, secret ballots or computer access.

2.12. **List for Voting.** After setting a record date for notice of a meeting, the Board shall prepare an alphabetical list of the names of the Members entitled to notice of such meeting. The list shall show the address of the Member and the number of votes

each is entitled to vote at the meeting. The list for voting shall be made available for inspection in accordance with Texas law.

2.13. **Voting Procedures:** The fact that any Member of the Association is delinquent in the payment of monies owed to the Association or is currently in violation of a restrictive covenant applicable to members of the Association shall not disqualify the Member from voting on any matter submitted to the Members of the Association, but such voting right may be suspended by the Board of Directors pursuant to Section 4.04.4 and rights to Common Areas suspended pursuant to 4.04.4 of the Declaration.

Voting rights of a Member of the Association may be exercised in the following ways:

1. In person or by proxy at a meeting of the Association;
2. By absentee ballot in the manner provided by applicable law. The Association shall provide an absentee ballot which contains each proposed action and provides for a vote for or against each proposed action. The casting of an absentee ballot may be limited because if there are amendments to a proposed ballot item the absentee ballot will not be counted on the final vote on the measure;
3. By "electronic ballot". The casting of an electronic ballot may be limited because if there are amendments to a proposed ballot item the electronic ballot will not be counted on the final vote on the measure. An electronic ballot means a ballot given by email, facsimile or posting on an internet website established for that purpose when the identity of the owner casting the ballot can be confirmed and the owner can receive a receipt of the electronic transmission and receipt of the owner's ballot. The Association shall send a notice of the posting of an electronic ballot to each Owner containing instructions on the procedure for obtaining access to the ballot.

Ballots must be written and signed by the Member voting. Electronic ballots shall be deemed written and signed. Written and signed ballots are not required for uncontested races.

2.14. **Proxies.** Any Member who is entitled to cast only the vote(s) for such Member's Tract(s) pursuant to this Article may cast such vote in person or by proxy. On any matter as to which a Member is entitled to personally cast the vote for such Member's Tract, such vote may be cast in person (or, if a corporation, partnership, limited liability company, or trust, through any officer, director, partner, member, manager or fiduciary duly authorized to act on behalf of the Member) or by proxy, subject to the limitations of Texas law relating to use of general proxies and subject to any specific provision to the contrary in the Declaration or these Bylaws.

Every proxy shall be in writing specifying the Tract(s) for which it is given, signed by the Member or such Member's duly authorized attorney-in-fact, dated, and filed with the secretary of the Association prior to the meeting for which it is to be effective. Unless otherwise specifically provided in the proxy, a proxy shall be presumed to cover all votes which the Member giving such proxy is entitled to cast, and in the event of any conflict between two (2) or more proxies purporting to cover the same voting rights, the later dated proxy shall prevail, or if dated as of the same date, both shall be deemed invalid. Every proxy shall be revocable and shall automatically cease upon conveyance of any Tract for which it was given, or upon receipt of notice by the secretary of the death or judicially declared incompetence of a Member who is a natural person, or of written

revocation, or eleven (11) months from the date of the proxy, unless a shorter period is specified in the proxy.

2.15. Quorum. Except as may be otherwise provided in these Bylaws or in the Declaration, the presence in person or by proxy of ten percent (10%) of the votes entitled to be cast shall constitute a quorum at all meetings of the Association. If a quorum is present at a duly called or held meeting, business may be continued until adjournment, notwithstanding the withdrawal of Members leaving less than a quorum, provided that any action taken is approved by at least a Majority of the votes required to constitute a quorum.

2.16. Conduct of Meetings. The president shall preside over all meetings of the Association, and the secretary shall keep the minutes of the meetings and record in a minute book all resolutions adopted and all other transactions occurring at such meetings.

2.17. Action Without a Meeting. Any action required or permitted by law to be taken at a meeting of the Association may be taken without a meeting, without prior notice and without a vote if written consent specifically authorizing the proposed action is signed by all of the Members entitled to vote on such matter. Such consents shall be signed within sixty (60) Days after receipt of the earliest dated consent, dated and delivered to the Association at its principal place of business in the State of Texas. Such consents shall be filed with the minutes of the Association and shall have the same force and effect as a vote of the Members at a meeting. Within ten (10) Days after receiving authorization for any action by written consent, the secretary shall give written notice to all Members summarizing the material features of the authorized action.

ARTICLE 3: BOARD OF DIRECTORS: NUMBER, POWERS, MEETINGS

Composition and Selection.

3.1 Governing Body; Composition. The affairs of the Association shall be governed by a Board of Directors, each of whom shall have one (1) equal vote. Except with respect to directors appointed by the Declarant or serving as a representative of the Declarant, the directors shall be eligible Members or residents; provided, however, no Owner and resident representing the same Tract may serve on the Board at the same time. No Owner shall be eligible to serve as a director if any assessment for such Owner's Tract is delinquent, unless otherwise allowed by state law. In the case of a Member which is not a natural person, any officer, director, partner, member, manager, employee, or fiduciary of such Member shall be eligible to serve as a director unless otherwise specified by written notice to the Association signed by such Member; provided, that no Member may have more than one (1) such representative on the Board at a time, except in the case of directors appointed by or serving as representatives of the Declarant.

3.2 Number of Directors. The Board shall consist of three (3) directors.

3.3 Directors Before Control Transfer Date. Subject to the provisions of Section 3.5, the directors shall be selected by the Declarant acting in its sole discretion and shall serve at the pleasure of the Declarant before the Control Transfer Date (as defined in the Declaration). Notwithstanding anything herein or in the Declaration to the contrary, directors appointed by or serving as representatives of the Declarant shall not be subject to the qualifications for directors set forth in Section 3.1 and, further, as representatives of the Declarant, shall be deemed to be Members of the Association for

purposes of serving on the Board of Directors, irrespective of whether the individuals appointed by the Declarant are Owners themselves.

3.4 Nomination and Election Procedures.

(a) **Nomination of Directors.** The Board may establish a nominating committee consisting of a chairperson, who shall be a member of the Board, and three (3) or more Members or representatives of Members. If established, the nominating committee shall be appointed by the Board not less than thirty (30) Days prior to each election to serve a term of one (1) year or until their successors are appointed, and such appointment shall be announced at the election. A nominating committee shall make as many nominations for election to the Board as it shall in its discretion determine, but in no event less than the number of positions to be filled as provided in Section 3.5 below. The nominating committee shall nominate separate slates for the directors, if any, to be elected at large by all Members. In making its nominations, a nominating committee shall use reasonable efforts to nominate candidates representing the diversity which exists within the pool of potential candidates.

Nominations shall also be permitted from the floor at a meeting of the Association. All candidates shall have a reasonable opportunity to communicate their qualifications to the Members and to solicit votes. Directors appointed by or serving as representatives of the Declarant shall not be subject to these nomination requirements.

Qualifications of Board Members: Any member of the Association may run for a place on the Board of Directors or serve as Director except a person who has been convicted of a felony or crime involving moral turpitude who shall be permanently ineligible to serve as a Director. Evidence of such a conviction must be established by written, documented evidence from records maintained by a governmental law enforcement authority.

The fact that a person is delinquent in the payment of monies owed to the Association or is currently in violation of a restrictive covenant applicable to members of the Association shall not be a bar to running for or service on the Board of Directors of the Association.

(b) **Election Procedures.** Each Member may cast all votes assigned to the Tracts which such Member represents for each position to be filled from the slate of candidates on which such Member is entitled to vote. There shall be no cumulative voting. That number of candidates equal to the number of positions to be filled receiving the greatest number of votes shall be elected. Directors may be elected to serve any number of consecutive terms.

3.5 Election and Term of Office. Until the Control Transfer Date, there shall be three (3) directors, who shall be appointed by the Declarant (the "Initial Board of Directors"). Until the Control Transfer Date, the Declarant shall be entitled to remove and replace the individual three (3) members of the Initial Board of Directors at its discretion. Notwithstanding any other provision of these By-Laws, at the Control Transfer Date, the Initial Board of Directors appointed by the Declarant shall resign. Upon the Control Transfer Date, the Declarant shall appoint the First Board of Directors and shall appoint which office they shall hold. The First Board Directors shall be classified with respect to the time for which they hold office by dividing them into three classes, each class consisting of one (1) Director, and each Director shall hold office until his successor shall be elected and shall qualify. The First Board of Directors shall act and hold office until the first annual meeting of the Members. At the first annual meeting

of the Members, the Director in the first class (the Secretary/Treasurer) shall be elected for a one (1) year term; the Director in the second class (Vice President) shall be deemed to have been elected for a term of two (2) years; the Director in the third class (President) shall be deemed to have been elected for a period of three (3) years; and at each annual election thereafter the successors to the class whose term shall expire that year shall be elected to hold office for a term of three (3) years, so that the term of office of one class shall expire in each year, and at no time will multiple positions be up for election.

3.6 Removal of Directors and Vacancies. Any director elected by the Members (as of the first annual meeting this may occur) may be removed, with or without cause, by Members representing a Majority of the votes entitled to be cast for the election of such Director, but shall not be subject to removal solely by the Declarant. Any Director whose removal is sought shall be given notice prior to any meeting called for that purpose. Upon removal of a Director, a temporary successor shall be appointed by the remaining Board Members and then at the next annual meeting the Association shall hold an election to elect a replacement Director to be elected by the Members entitled to elect the director so removed to fill the vacancy for the remainder of the term of such director.

Any director elected by the Members who has three (3) or more consecutive unexcused absences from Board meetings may be removed by a Majority of the directors, and the Board may appoint a temporary successor to fill the vacancy until the next annual meeting, at which time the Members entitled to fill such directorship may elect a successor for the remainder of the term.

In the event of the death, disability, or resignation of an elected director, or the failure of a director to be a record owner of a Tract or a "resident" (as defined in Section 3.1 of these Bylaws) of a Tract, or the adoption of a Board resolution increasing the number of directors, the Board may declare a vacancy and appoint a successor to fill the vacancy until the next annual meeting, at which time the Members entitled to fill such directorship may elect a successor for the remainder of the term.

This Section shall not apply to directors appointed by the Declarant nor to any director serving as a representative of the Declarant prior to the first annual meeting in which the Owners have control of the Association. The Declarant shall be entitled to appoint a successor to fill any vacancy on the Board resulting from the death, disability or resignation of a director appointed by or elected as a representative of the Declarant.

Meetings.

3.7 Organizational Meetings. Within thirty (30) Days after the election or appointment of new directors, the Board shall hold an organizational meeting at such time and place as the Board shall set.

3.8 Regular Meetings. Regular meetings of the Board may be held at such time and place as a Majority of the directors shall determine, but at least one (1) such meeting shall be held during each quarter.

3.9 Special Meetings. Special meetings of the Board shall be held when called by written notice signed by the president or vice president or by any two (2) directors.

3.10 Notice. Notice of a regular meeting shall be communicated to directors not less than four (4) Days prior to the meeting. Notice of a special meeting shall be communicated to directors not less than seventy-two (72) hours prior to the meeting. No notice need be given to any director who has signed a waiver of notice or a written consent

to holding of the meeting. The notice shall specify the time and place of the meeting and, in the case of a special meeting, the nature of any special business to be considered. Notices shall be given to each director by: (a) personal delivery; (b) first class mail, postage prepaid; (c) telephone communication, either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director; (d) telecopier transmission to the director's home or office, with confirmation of receipt by the receiving telecopier; (e) telegram, charges prepaid; (f) overnight or same day delivery, charges prepaid; or (g) electronic mail ("e-mail") using Internet accessible equipment and services if the director has consented in writing to such method of delivery and has provided the Board with an e-mail address. All such notices shall be given at the director's telephone or telecopier number or sent to the director's address as shown on the records of the Association. Notices sent by first class mail shall be deemed communicated when deposited into a United States mailbox. Notices given by personal, overnight or courier delivery, telephone, telecopier, telegraph, or e-mail shall be deemed communicated when delivered, telephoned, telecopied, e-mailed, or given to the telegraph company.

3.11 Waiver of Notice. The transactions of any meeting of the Board, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting also shall be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

3.12 Participation in Meetings. Members of the Board or any committee designated by the Board may participate in a meeting of the Board or committee by means of telephone conference, video conference or similar communications equipment, by means of which all persons participating in the meeting can converse with each other. Participation in a meeting pursuant to this Section shall constitute presence in person at such meeting.

3.13 Quorum of Board of Directors. At all meetings of the Board, a Majority of the directors shall constitute a quorum for the transaction of business, and the votes of a Majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board, unless otherwise specifically provided in these Bylaws or the Declaration. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least a Majority of the required quorum for that meeting. If any meeting of the Board cannot be held because a quorum is not present, a Majority of the directors present at such meeting may adjourn the meeting to a time not less than five (5) nor more than twenty (20) Days from the date of the original meeting. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

3.14 Compensation. Directors shall not receive any compensation from the Association for acting as such unless approved by Members representing a Majority of the total votes in the Association at a regular or special meeting of the Association. Any director may be reimbursed for expenses incurred on behalf of the Association upon approval of a Majority of the other directors. Nothing herein shall prohibit the Association from compensating a director, or any entity with which a director is affiliated, for services or supplies furnished to the Association in a capacity other than

as a director pursuant to a contract or agreement with the Association, provided that such director's interest was made known to the Board prior to entering into such contract and such contract was approved by a Majority of the Board of Directors, excluding the interested director.

3.15 Conduct of Meetings. The president shall preside over all meetings of the Board, and the secretary shall keep a minute book of Board meetings, recording all Board resolutions and all transactions and proceedings occurring at such meetings. In the case of a tie vote on a motion or resolution before the Board, the motion or resolution is considered lost.

3.16 Open Meetings. Subject to the provisions of Sections 3.12 and 3.17, all meetings of the Board shall be open, if required by law, to all Members, but attendees other than directors may not participate in any discussion or deliberation unless permission to speak is requested on an attendee's behalf by a director. In such case, the president may limit the time any individual may speak. Notwithstanding the above, the president may adjourn any meeting of the Board, reconvene in executive session, and exclude Persons other than directors, to discuss matters of a sensitive nature, such as pending or threatened litigation, personnel matters, etc.

3.17 Action Without a Formal Meeting. Any action to be taken at a meeting of the directors or any action that may be taken at a meeting of the directors may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the directors, and such consent shall have the same force and effect as a unanimous vote.

Powers and Duties.

3.18 Powers. The Board shall have all of the powers and duties necessary for the administration of the Association's affairs and for performing all responsibilities and exercising all rights of the Association as set forth in the Governing Documents and as provided by Texas law. The Board may do or cause to be done all acts and things which the Governing Documents or Texas law do not direct to be done and exercised exclusively by the membership generally.

3.19 Duties. The duties of the Board shall include, without limitation:

(a) preparing and adopting, in accordance with related provisions of the Declaration and these Bylaws, an annual budget establishing each Owner's share of the Common Expenses and any other levied expense;

(b) levying and collecting General Assessments, including maintenance charges, and any other assessments from the Owners, and providing for the operation, care, upkeep, and maintenance of the Area of Common Responsibility;

(c) designating, hiring, and dismissing the personnel necessary to carry out the rights and responsibilities of the Association and where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;

(d) depositing all funds received on behalf of the Association in a bank depository which it shall approve and using such funds to operate the Association, provided any reserve funds may be deposited, in the directors' best business judgment, in depositories other than banks;

(e) making and amending rules in accordance with the Declaration, and opening of bank accounts on behalf of the Association and designating the signatories

required;

(f) contracting for repairs, additions, and improvements to or alterations of the Common Area and private roads, and cleaning or repairing drainage easements, roads and areas located within the 100-year flood plain or the 100-year water surface elevation, in accordance with the Governing Documents;

(g) enforcing by legal means the provisions of the Governing Documents and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association;

(h) obtaining and carrying property and liability insurance and fidelity bonds, as provided herein and/or in the Declaration, paying the cost thereof, and filing and adjusting claims, as appropriate;

(i) paying the costs of all services rendered to the Association, and keeping books with detailed accounts of the receipts and expenditures of the Association;

(j) making available to any Owner, and the holders, insurers, and guarantors of any Mortgage on any Tract, current copies of the Governing Documents and all other books, records, and financial statements of the Association as provided in Section 8.4;

(k) permitting utility suppliers to use portions of the Common Area reasonably necessary to the ongoing development or operation of Big Rock Lake subdivision;

(l) indemnifying a director, officer or ACC or committee member, or former director, officer or ACC or committee member of the Association to the extent such indemnity is required or permitted under Texas law or the Governing Documents;

(m) assisting in the resolution of disputes between Owners and others without litigation as may be set forth herein and/or in the Declaration; and

(n) performing the duties of the Board, as set forth in the Declaration, and constituting, and performing the duties of, the ACC, as set forth in the Declaration.

3.20 Management. The Board may employ for the Association a professional management agent or agents at such compensation as the Board may establish, to perform such duties and services as the Board shall authorize. The Board may delegate such powers as are necessary to perform the manager's assigned duties, but shall not delegate policy-making authority or those duties set forth in Sections 3.19(a), 3.19(b), 3.19(f), 3.19(g) and 3.19(i). The Declarant or an affiliate of the Declarant may be employed as managing agent or manager.

The Board may delegate to one (1) of its members the authority to act on behalf of the Board on all matters relating to the duties of the managing agent or manager, if any, which might arise between meetings of the Board.

3.21 Accounts and Reports. The following management standards of performance shall be followed unless the Board by resolution specifically determines otherwise:

(a) cash or accrual accounting, as defined by generally accepted accounting principles, shall be employed, and accounting and controls should conform to generally accepted accounting principles;

(b) cash accounts of the Association shall not be commingled with any

other accounts, and no remuneration shall be accepted by the managing agent from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; any item of value received shall benefit the Association;

(c) any financial or other interest which the managing agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board;

(d) commencing at the end of the quarter in which the first Tract is sold and closed, financial reports shall be prepared for the Association at least quarterly (such financial statements shall include an income statement reflecting all income and expense activity for the preceding period on a cash or accrual basis and may include such other reports as deemed necessary by the Board);

(e) an annual financial report shall be made available to all Members within one hundred twenty (120) Days after the close of the fiscal year. Such annual report may be prepared on an audited, reviewed or compiled basis, as the Board determines; provided, however, upon written request of any holder, guarantor or insurer of any first Mortgage on a Tract, the Association shall provide an audited financial statement; and

(f) all financial reports shall be kept at the principal office of the Association for at least three (3) years after the closing of each fiscal year.

3.22 Borrowing. The Association shall have the power to borrow money for any legal purpose; provided, however, if the proposed borrowing is for the purpose of making discretionary capital improvements and the total amount of such borrowing, together with all other debt incurred within the previous twelve (12) month period, exceeds or would exceed ten percent (10%) of the budgeted gross expenses of the Association for that fiscal year, the Board shall obtain the approval of Members representing at least sixty-seven percent (67%) of the total votes allocated to Tracts prior to borrowing such money.

3.23 Right to Contract. The Association shall have the right to contract with any Person for the performance of various duties and functions. This right shall include, without limitation, the right to enter into common management, operational, or other agreements with trusts, condominiums, cooperatives, and/or other owners or residents associations, within and outside Big Rock Lake subdivision; provided, any common management agreement shall require the consent of a Majority of the total number of directors of the Association.

3.24 Enforcement.

(a) Association Authority. The Board, or any committee established by the Board, may impose sanctions for violation of the Governing Documents after compliance with the notice and hearing procedures set forth herein. Such sanctions may include, without limitation:

(i) imposing monetary fines which shall constitute a lien upon the Tract of the violator. (In the event that any occupant, guest or invitee of a Tract violates the Governing Documents and a fine is imposed, the fine shall first be assessed against the occupant; provided, however, if the fine is not paid by the occupant within the time period set by the Board, the Owner shall pay the fine upon notice from the Board.);

(ii) filing liens in the Public Records for nonpayment of any assessments or fees;

(iii) filing notices of violations in the Public Records providing record notice of any violation of the Governing Documents;

(iv) suspending an Owner's right to vote, subject to State law;

(v) suspending any Person's right to use any recreational facilities within the Common Area; provided, however, nothing herein shall authorize the Board to limit ingress or egress to or from a Tract, subject to State law;

(vi) suspending any services provided by the Association to an Owner or the Owner's Tract if the Owner is more than thirty (30) Days delinquent in paying any assessment or other charge owed to the Association, subject to State law; and

(vii) filing suit to enforce any of the above sanctions; provided, however, compliance with the notice and hearing procedures set forth herein is not required prior to filing suit (1) to collect an assessment, (2) to foreclose the Association's lien for assessments set forth in the Declaration, (3) to obtain a temporary restraining order or temporary injunctive relief, or (4) that includes foreclosure as a cause of action.

(viii) In the event that any occupant, guest or invitee of a Tract violates the Governing Documents, the Board or any committee established by the Board, with the Board's approval, may sanction such occupant, guest or invitee and/or the Owner of the Tract that the violator is occupying or visiting.

(ix) In addition, the Board, or the covenants committee if established, may elect to enforce any provision of the Governing Documents by entering the Tract and exercising self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules, the removal of pets that are in violation of pet rules or the correction of any maintenance, construction or other violation of the Governing Documents) or by suit at law or in equity to enjoin any violation or to foreclose a lien or both without the necessity of compliance with the procedures set forth in these Bylaws.

(x) All remedies set forth in the Declaration and/or these Bylaws shall be cumulative of any remedies available at law or in equity. In any action to enforce the provisions of the Governing Documents, if the Association prevails, it shall be entitled to recover all costs, including, without limitation, attorneys' fees and court costs, reasonably incurred in such action.

(xi) The Association shall not be obligated to take action to enforce any covenant, restriction, or rule which the Board in the exercise of its business judgment determines is, or is likely to be construed as, inconsistent with applicable law, or in any case in which the Board reasonably determines that the Association's position is not strong enough to justify taking enforcement action. Any such determination shall not be construed a waiver of the right of the Association to enforce such provision

under any circumstances or prevent the Association from enforcing any other covenant, restriction or rule.

(xii) The Association, by contract or other agreement, may enforce county, city, state and federal ordinances, if applicable, and permit local and other governments to enforce ordinances in Big Rock Lake subdivision for the benefit of the Association and its Members.

(b) Notice. Prior to imposition of any sanction requiring compliance with these procedures, the Board or its delegate shall serve the alleged violator with written notice sent by certified mail, return receipt requested, including (i) the nature of the alleged violation; (ii) the proposed sanction to be imposed; (iii) a statement that the alleged violator may present a written request for a hearing to the Board, or to the covenants committee, if one has been appointed pursuant to Article 5, within thirty (30) Days of the notice; (iv) a statement that the hearing, if held before the covenants committee, may be appealed to the Board as set forth herein; and (v) a statement that the proposed sanction shall be imposed as contained in the notice unless a request for a hearing is received within thirty (30) Days of the notice. If a timely request is not received, the sanction stated in the notice shall be imposed; provided, however, the Board or covenants committee may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the thirty (30) Day period. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any Person. In the event of a continuing violation, each day the violation continues beyond the thirty (30) Day period shall constitute a separate offense, and fines may be imposed on a per diem basis without further notice to the violator. In the event of a violation which recurs within six (6) months from the date of any notice hereunder, the Board or covenants committee may impose a sanction without further notice to the violator.

(c) Hearing. If a hearing is requested within the allotted thirty (30) Day period, the hearing shall be held before the covenants committee, or, if none has been appointed, then before the Board in executive session, within thirty (30) Days after the Board or its delegate receives the written request. The alleged violator shall be afforded a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or delegate who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator or its representative appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed. The Board may adopt a schedule of sanctions for violations of the Governing Documents.

(d) Appeal. If a hearing is held before a covenants committee, the violator shall have the right to appeal the committee's decision to the Board. To exercise this right, a written notice of appeal must be received by the manager, president, or secretary of the Association within ten (10) Days after the hearing date.

ARTICLE 4: OFFICERS

4.1 Officers. The officers of the Association shall be a President, Secretary, and Treasurer. The President and Secretary shall be elected from among the members of the Board after the Initial Appointment by Declarant; other officers may, but need not, be members of the Board. The Board may appoint such other officers, including one or more assistant secretaries and one (1) or more assistant treasurers, as it shall deem

desirable, such officers to have such authority and perform such duties as the Board prescribes. Any two (2) or more offices may be held by the same person, except the offices of president and secretary.

4.2 Election and Term of Office. Before the Control Transfer Date, the Declarant shall appoint the officers of the Association. After the Control Transfer Date, the Board shall elect the officers of the Association at the first meeting of the Board following each election of new directors as stated in Section 3 above. Such officers shall serve until their successors are elected, and the terms of office shall be as provided for in Section 3.5 with a class of officer being elected each year.

4.3 Removal and Vacancies. The Board may remove any officer whenever in its judgment the best interests of the Association will be served and may fill any vacancy in any office arising because of death, resignation, removal, or otherwise for the unexpired portion of the term.

4.4 Powers and Duties. The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may specifically be conferred or imposed by the Board of Directors. The president shall be the chief executive officer of the Association. The treasurer shall have primary responsibility for the preparation of the budget and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both. The secretary shall be responsible for preparing minutes of meetings of the Association and the Board and for authenticating records of the Association.

4.5 Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, the president, or the secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

4.6 Agreements, Contracts, Deeds, Leases, Checks, Etc. All agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by at least two (2) officers or by such other person or persons as may be designated by Board resolution, provided that the signature of only one (1) officer or such other person as may be designated by Board resolution shall be required for the payment of routine Association expenses that recur monthly or Association expenses of less than \$500.00.

4.7 Compensation. Compensation of officers shall be subject to the same limitations as compensation of directors under Section 3.14.

ARTICLE 5: COMMITTEES

5.1 General. The Board may appoint such committees as it deems appropriate to perform such tasks and to serve for such periods as the Board may designate by resolution. Each committee shall operate in accordance with the terms of such resolution. Unless otherwise provided by the Board, committee members shall be eligible Members or residents; provided however, no Member may have more than one (1) representative on a committee at any time. No committee appointed by the Board shall be empowered to take any affirmative action nor to bind the Board or the Association without the consent of the Board.

5.2 Architectural Control. Subject to the Declaration, the full Board shall constitute the elected members of the ACC, unless the Board delegates said authority to

a committee composed of three (3) or more Members.

5.3 Covenants Committee. In addition to any other committees which the Board may establish pursuant to the Declaration, these Bylaws and, specifically, Section 5.1, the Board may appoint a covenants committee consisting of at least three (3) and no more than five (5) Members. Acting in accordance with the provisions of the Declaration, these Bylaws, and resolutions the Board may adopt, the covenants committee, if established, shall be the hearing tribunal of the Association and shall conduct all hearings held pursuant to Section 3.24.

5.4 Committees. In addition to any other committees appointed as provided above, the Members of the Association may elect a Committee to determine the nature and extent of services, if any, to be provided to the development by the Association in addition to those provided to all Members of the Association. A Committee may advise the Board on any other issue, but shall not have the authority to bind the Board or the Association. Such Committees, if elected, shall consist of three (3) to five (5) Members, as determined by the vote of at least a Majority of the Owners of Tracts.

Committee members shall be elected for a term of one (1) year or until their successors are elected. Any director elected to the Board of Directors shall be an ex officio member of the Committee. The Committee shall elect a chairperson who shall preside at its meetings and shall be responsible for transmitting any and all communications to the Board.

In the conduct of its duties and responsibilities, each Committee shall abide by the meeting, notice and quorum requirements applicable to the Board. Meetings of a Committee shall be open to all Owners of Tracts and their representatives; provided, however, a Committee may act by unanimous written consent in lieu of a meeting.

ARTICLE 6: INSURANCE AND CASUALTY LOSSES

6.1 Association Insurance.

(a) Required Coverages. The Association, acting through its Board or its duly authorized agent, shall obtain and continue in effect such types of insurance as required by Texas law, including the following types of insurance, if reasonably available, or if not reasonably available, the most nearly equivalent coverages as are reasonably available.

(i) Blanket property insurance covering "risks of direct physical loss" on a "special form" basis (or comparable coverage by whatever name denominated) for all insurable improvements on the Common Area, if any, and on other portions of the Area of Common Responsibility to the extent that it has assumed responsibility for maintenance, repair and/or replacement in the event of a casualty. If such coverage is not generally available at reasonable cost, then "broad form" coverage may be substituted. The Association shall have the authority to and interest in insuring any property for which it has maintenance or repair responsibility, regardless of ownership. All property insurance policies obtained by the Association shall have policy limits sufficient to cover the full replacement cost of the insured improvements;

(ii) Commercial general liability insurance on the Area of Common Responsibility, insuring the Association and its Members for damage or injury caused by the negligence of the Association or any of its

Members, employees, agents, or contractors while acting on its behalf. If generally available at reasonable cost, the commercial general liability coverage (including primary and any umbrella coverage) shall have a limit of at least one million dollars (\$1,000,000.00) per occurrence and two million dollars (\$2,000,000.00) in the aggregate with respect to bodily injury, personal injury, and property damage, provided should additional coverage and higher limits be available at reasonable cost which a reasonably prudent person would obtain, the Association shall obtain such additional coverages or limits;

(iii) Workers compensation insurance and employers liability insurance, if and to the extent required by law;

(iv) Directors and officers liability coverage;

(v) Fidelity insurance covering all Persons responsible for handling Association funds in an amount determined in the Board's best business judgment but not less than an amount equal to one-sixth (1/6th) of the annual General Assessments on all Tracts plus reserves on hand. Fidelity insurance policies shall contain a waiver of all defenses based upon the exclusion of Persons serving without compensation; and

(vi) Such additional insurance as the Board, in its best business judgment, determines advisable, which may include, without limitation, flood insurance.

In the event that any portion of the Common Area is or shall become located in an area identified by the Federal Emergency Management Agency ("FEMA") as an area having special flood hazards, a "blanket" policy of flood insurance on the Common Area must be maintained in the amount of one hundred percent (100%) of current "replacement cost" of all affected improvements and other insured property or the maximum limit of coverage available, whichever is less.

In addition, the Association may obtain and maintain property insurance on the insurable improvements within the development in such amounts and with such coverages as the Owners may agree upon pursuant to Article 2. Any such policies shall provide for a certificate of insurance to be furnished to the Association and to the Owner of each Tract insured upon request.

Premiums for all insurance on the Area of Common Responsibility shall be Common Expenses and shall be included in the General Assessment, except that (i) premiums for property insurance obtained on behalf of specially requested members shall be charged to the Owners of Tracts within the benefited special assessment; and (ii) premiums for insurance on Exclusive Common Areas may be included in the special assessment of the benefited Tracts unless the Board of Directors reasonably determines that other treatment of the premiums is more appropriate. In the event of an insured loss, the deductible shall be treated as a Common Expense and assessed in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with these Bylaws, that the loss is the result of the negligence or willful misconduct of one (1) or more Owners, their guests, invitees, or lessees, then the Board may charge the full amount of such deductible against such Owner(s) and their Tracts as a specific assessment against those particular Owner(s) and Tract(s).

The Association shall have no insurance responsibility for any portion of the Private Amenities.

(b) Policy Requirements. The Association shall arrange for periodic reviews of the sufficiency of insurance coverage by one (1) or more qualified Persons, at least one (1) of whom must be familiar with insurable replacement costs in Harrison County, Texas and/or nearby metropolitan areas. All Association policies shall provide for a certificate of insurance to be furnished to the Association, and to each Member upon request. The policies may contain a reasonable deductible and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the requirements of Section 6.1(a).

All insurance coverage obtained by the Board shall: (i) be written with a company authorized to do business in the State of Texas which satisfies the requirements of the Federal National Mortgage Association, or such other secondary mortgage market agencies or federal agencies as the Board deems appropriate; (ii) be written in the name of the Association as trustee for the benefited parties. Policies on the Common Areas shall be for the benefit of the Association and its Members; (iii) not be brought into contribution with insurance purchased by Owners, occupants, or their Mortgagees individually; (iv) contain an inflation guard endorsement; (v) include an agreed amount endorsement, if the policy contains a co-insurance clause; and (vi) include an endorsement requiring at least thirty (30) Days prior written notice to the Association of any cancellation, substantial modification, or non-renewal.

In addition, the Board shall use reasonable efforts to secure insurance policies which list the Owners as additional insureds and provide: (i) a waiver of subrogation as to any claims against the Association's Board, officers, employees, and its manager, the Owners and their tenants, servants, agents, and guests; (ii) a waiver of the insurer's rights to repair and reconstruct instead of paying cash; (iii) an endorsement precluding cancellation, invalidation, suspension, or non-renewal by the insurer on account of any one (1) or more individual Owners, or on account of any curable defect or violation without prior written demand to the Association to cure the defect or violation and allowance of a reasonable time to cure; (iv) an endorsement excluding Owners' individual policies from consideration under any "other insurance" clause; (v) a cross liability provision; and (vi) a provision vesting the Board with the exclusive authority to adjust losses; provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related to the loss.

(c) Damage and Destruction. In the event of any insured loss, only the Board or its duly authorized agent may file and adjust insurance claims and obtain reliable and detailed estimates of the cost of repair or reconstruction. Repair or reconstruction, as used in this subsection, means repairing or restoring the property to substantially the condition in which it existed prior to the damage, allowing for changes or improvements necessitated by changes in applicable building codes. Any damage to or destruction of the Common Area shall be repaired or reconstructed unless the Members representing at least sixty-seven percent (67%) of the total votes in the Association, and, during the Development Period, the Declarant, decide within sixty (60) Days after the loss not to repair or reconstruct.

If either the insurance proceeds or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not available to the Association within such sixty (60) Day period, then the period shall be extended until such funds or information are available. However, such extension shall not exceed sixty (60) additional Days. No

Mortgagee shall have the right to participate in the determination of whether the damage or destruction to the Common Area shall be repaired or reconstructed.

If determined in the manner described above that the damage or destruction to the Common Area shall not be repaired or reconstructed and no alternative improvements are authorized, the affected property shall be cleared of all debris and ruins and thereafter shall be maintained by the Association in a neat and attractive, landscaped condition consistent with the Community-Wide Standard. Any insurance proceeds remaining after paying the costs of repair or reconstruction, or after such settlement as is necessary and appropriate, shall be retained by and for the benefit of the Association, and placed in a capital improvements account. This is a covenant for the benefit of Mortgagees and may be enforced by the Mortgagee of any affected Tract.

6.2 Owners' Insurance. By virtue of taking title to a Tract, each Owner covenants and agrees with all other Owners and with the Association to carry property insurance for the full replacement cost of all insurable improvements on his or her Tract, less a reasonable deductible, unless either the Association carries such insurance (which they may, but are not obligated to do hereunder). If the Association assumes responsibility for obtaining any insurance coverage on behalf of Owners, the premiums for such insurance shall be levied as a specific assessment against the benefited Tract and the Owner thereof.

Each Owner further covenants and agrees that in the event of damage to or destruction of structures on or comprising his or her Tract, the Owner shall proceed promptly to repair or to reconstruct in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with the architectural control provisions of the Declaration. Alternatively, the Owner shall clear the Tract of all debris and ruins and maintain the Tract in a neat and attractive, landscaped condition consistent with the Community-Wide Standard. The Owner shall pay any costs which are not covered by insurance proceeds.

6.3 Limitation of Liability. Notwithstanding the duty of the Association to maintain and repair portions of the Common Area, neither the Association, its Board of Directors, nor any respective officer, director, committee member, employee, agent, contractor (including the management company, if any) of any of the same shall be liable to any Member or the Member's immediate household for any injury or damage sustained in the Area of Common Responsibility, the Common Area or other area maintained by the Association, or for any injury or damage caused by the negligence or misconduct of any Members or their family members, guests, invitees, agents, servants, contractors or lessees, whether such loss occurs in the Common Area or in individual Tracts.

Each Owner, by virtue of the acceptance of title to his or her Tract, and each other Person having an interest in or right to use any portion of Big Rock Lake subdivision, by virtue of accepting such interest or right to use, shall be bound by this Section and shall be deemed to have automatically waived any and all rights, claims, demands, and causes of action against the Association arising from or connected with any matter for which the liability of the Association has been disclaimed under this Section.

ARTICLE 7: BUDGETS AND ASSESSMENTS

7.1 Computation of General Assessment. At least thirty (30) Days before the beginning of each fiscal year, the Board shall adopt a budget covering the estimated Common Expenses during the coming year, which may include a capital contribution to establish a reserve fund in accordance with a budget separately prepared as provided in

Section 7.3.

General Assessments shall be levied equally against all Tracts subject to assessment and shall be proposed by the Board to be set at a level which is reasonably expected to produce total income for the Association equal to the total budgeted Common Expenses, including reserves. In determining the total funds to be generated through the levy of General Assessments, the Board, in its discretion, may consider other sources of funds available to the Association, including any surplus from prior years and any assessment income expected to be generated from any additional Tracts reasonably anticipated to become subject to assessment during the fiscal year and any income expected to be generated from any Cost Sharing Agreement. Tracts and boat slip licenses owned by the Declarant shall never be subject to assessment.

In addition to General Assessments, including maintenance charges, the Association may levy special assessments from time to time to cover unbudgeted expenses or expenses in excess of those budgeted. Any such special assessment may be levied against all Tracts and may be enforced in the same manner as the General Assessments.

Payments by the Declarant in any year shall under no circumstances obligate the Declarant to continue such payments in future years and the treatment of such payment shall be made known to the membership, unless otherwise provided in a written agreement between the Association and the Declarant.

Budgets. The Board shall send a copy of the adopted budget and notice of the amount of the General Assessment for the following year to each Owner at least thirty (30) days prior to the beginning of the fiscal year for which it is to be effective. Such budget and assessment shall become effective without further action of the Owners unless disapproved at a meeting by Members representing at least sixty-seven percent (67%) of the total votes in the Association and, during the Development Period, by the Declarant. Notwithstanding the foregoing, after the Control Transfer Date, if the budget proposes a change in the amount of the General Assessment from the fiscal year immediately preceding the year in which the budget is to be effective, then the budget and the increase or decrease in the General Assessment must be approved by Members representing at least sixty-seven percent (67%) of the total votes in the Association and, during the Development Period, by the Declarant. Unless approval of the budget by Members is required as set forth herein, there shall be no obligation to call a meeting for the purpose of considering the budget except on petition of the Members as provided for special meetings in Article 2, which petition must be presented to the Board within twenty (20) Days after delivery of the notice of assessments. If such a meeting is requested, assessments pursuant to such proposed budget shall not become effective until after such meeting is held, provided such assessments shall be retroactive to the original effective date of the budget if the budget is not disapproved at such meeting.

If the proposed budget is not approved or is disapproved as required, or the Board fails for any reason to determine the budget for any year, then until such time as a budget is determined, the budget in effect for the immediately preceding year shall continue for the current year. In such event or if the budget proves inadequate for any reason, the Board may prepare a revised budget for the remainder of the fiscal year. The Board shall send a copy of the revised budget to each Owner at least thirty (30) Days prior to its becoming effective. The revised budget shall be subject to the above procedure in order to become effective.

7.2 Reserve Budget and Capital Contribution. The Board may annually

prepare reserve budgets for general purposes which take into account the number and nature of replaceable assets within the Area of Common Responsibility, the expected life of each asset, and the expected repair or replacement cost. If a reserve budget is prepared, the Board shall set the required capital contribution in an amount sufficient to permit meeting the projected needs of the Association, as shown on the budget, with respect both to amount and timing by annual General Assessments over the budget period.

RECORD PRODUCTION AND COPYING POLICY

Pursuant to the provisions of Texas Property Code §209.005:

Requests for Production of or Access to Books and Records: Books and Records of the Association shall be made available to the extent and in the manner provided by Texas Property Code Section 209.005. Certain Books and Records of the Association shall be confidential and are not subject to disclosure or production as provided by Texas Property Code Section 209.005(k).

The Association shall make the books and records of the Association reasonably available for inspection

1. by an owner; or
2. a person designated by the owner as the owner's agent, attorney or certified public accountant.

The books and records of the Association do not include an attorney's files related to the property owner's association except in the limited manner provided by Texas Property Code Section 209.005(d).

An owner or owner's agent must submit a written request for access or information by certified mail to the Association at the mailing address of the Association or authorized representative found in the most current management certificate filed in the Official Public Records of the County. The written request must identify with sufficient detail the Association books and records requested and the requestor must elect to either (1) inspect the books and records before obtaining copies or (2) have the association forward copies of the requested books and records.

The Association shall allow access to or provide copies of its books and records required by law to the extent that the requested books and records are in the possession, custody or control of the Association.

If access to the records is requested, the Association shall reply to the requestor within ten (10) business days from the date that the written request is received by the Association. In its reply the Association shall give the requestor dates during normal business hours when the records may be reviewed.

If copies of identified books and records are requested, the Association shall produce the requested books and records within ten (10) business days of the Association's receipt of the written request unless, on or before the tenth (10th) business day, the Association informs the requestor that the Association is unable to provide the requested books and records before the deadline and informs the requestor of a date when the books and records will be sent or made available for inspection. The date shall not be more than fifteen (15) business days after the date that the notice to the requestor is sent.

All inspections shall take place at a mutually agreed upon time during normal business hours.

The Association may produce records in hard copy, electronic or other format reasonably available to the Association.

Costs for Production of Records for Big Rock Lake as stated in Title 1, Texas Administrative Code §70.3.

Copy charges.

1. **Standard paper copy.** The charge for standard paper copies reproduced by means of an office machine copier or a computer printer is \$0.10 per page or part of a page. Each side that has recorded information is considered a page. In the event that routine copy charges exceed \$0.10 as determined by the Board, then the Board is authorized to increase the standard paper copy charge to meet the routine copy charges so that the Association shall not have a shortfall on copies as requested by members.

2. **Nonstandard copy.** The charges in this subsection are to cover the materials onto which information is copied and do not reflect any additional charges, including labor (which can be determined in 1 T.A.C. §70.3 as well), that may be associated with a particular request. The Association shall charge for additional labor, materials, software, or the like associated with requests for nonstandard copies. In addition, the Association may decline to provide the nonstandard copies in the form requested if, in the opinion and discretion of the Board, such request would require additional labor and costs beyond what the Association desires. The charges for nonstandard copies are:

- a) Diskette--\$1.00;
- b) Magnetic tape--actual cost
- c) Data cartridge--actual cost;
- d) Tape cartridge--actual cost;
- e) Rewritable CD (CD-RW)--\$1.00;
- f) Non-rewritable CD (CD-R)--\$1.00;
- g) Digital video disc (DVD)--\$3.00;
- h) JAZ drive--actual cost;
- i) Other electronic media--actual cost;
- j) VHS video cassette--\$2.50;
- k) Audio cassette--\$1.00;
- l) Oversize paper copy (e.g.: 11 inches by 17 inches, greenbar, bluebar, not including maps and photographs using specialty paper--See 1 T.A.C. §70.9 for Examples of Charges for Copies of Public Information) -- \$0.50;
- m) Specialty paper (e.g.: Mylar, blueprint, blue-line, map, photographic --actual cost.

Labor charge for locating, compiling, manipulating data, and reproducing information.

1. The charge for labor costs incurred in processing a request for public information is FIFTEEN AND NO/100 DOLLARS (\$15.00) an hour. The labor charge includes the actual time to locate, compile, manipulate data, and reproduce the requested information.

2. A labor charge shall not be billed in connection with complying with requests that are for fifty (50) or fewer pages of paper records, unless the documents to be copied are located in:

- a) Two or more separate buildings that are not physically connected with each other; or
- b) A remote storage facility.

3. A labor charge shall not be recovered for any time spent by an attorney, legal assistant, or any other person who reviews the requested information:

4. When confidential information is mixed with public information in the same page, a labor charge may be recovered for time spent to redact, blackout, or otherwise obscure confidential information in order to release the non-confidential information. A labor charge shall not be made for redacting confidential information for requests of 50 or fewer pages, unless the documents to be copied are located in:

- a) Two or more separate buildings that are not physically connected with each other; or
- b) A remote storage facility.

5. For purposes of paragraph 2.a of this subsection, two buildings connected by a covered or open sidewalk, an elevated or underground passageway, or a similar facility, are not considered to be separate buildings.

Overhead charge.

1. Whenever any labor charge is applicable to a request, the Association may include in the charges direct and indirect costs, in addition to the specific labor charge. This overhead charge would cover such costs as depreciation of capital assets, rent, maintenance and repair, utilities, and administrative overhead. If the Association chooses to recover such costs, a charge shall be made in accordance with the methodology described in paragraph (3) of this subsection. Although an exact calculation of costs will vary, the use of a standard charge will avoid complication in calculating such costs and will provide uniformity for charges made statewide.

2. An overhead charge shall not be made for requests for copies of fifty (50) or fewer pages of standard paper records unless the request also qualifies for a labor charge.

3. The overhead charge shall be computed at 20% of the charge made to cover any labor costs associated with a particular request. Example: if one hour of labor is used for a particular request, the formula would be as follows: Labor charge for locating, compiling, and reproducing, \$15.00 x .20 = \$3.00.

Remote document retrieval charge. To the extent that the retrieval of documents results in a charge to comply with a request, it is permissible to recover costs of such services for requests that qualify for labor charges under current law.

Miscellaneous supplies. The actual cost of miscellaneous supplies, such as labels, boxes, and other supplies used to produce the requested information, may be added to the total charge for public information.

Postal and shipping charges. The Association may add any related postal or shipping expenses which are necessary to transmit the reproduced information to the requesting party.

Miscellaneous charges: The Association that accepts payment by credit card for copies of public information and that is charged a "transaction fee" by the credit card company may recover that fee.

The Association shall have the right to require advance payment of the estimated costs of compilation, production and reproduction of the requested information. If the estimated costs are greater or lesser than the actual costs the Association shall submit a final invoice to the requestor within 30 business days of the date that the information is delivered. If the estimated costs exceed the actual costs the Association shall refund the

excess funds to the requestor not later than thirty (30) business days after the final invoice is sent to the owner. If the actual costs exceed the estimated costs, the requestor shall pay the amount due to the Association before the thirtieth (30th) business day from the date that the invoice is sent to the requestor/owner. If not timely paid, the charges may be added to the owner's account as an assessment.

RECORDS RETENTION POLICY

Pursuant to the provisions of Texas Property Code §209.005(m)

1. Certificates of Formation/Articles of Incorporation, bylaws, restrictive covenants and all amendments to any of the same shall be retained permanently;
2. Financial books and records of the Association shall be retained for seven (7) years;
3. Account records of current owners shall be retained for five (5) years;
4. Contracts to which the Association is a party shall be retained for four (4) years after the expiration of the contract term;
5. Minutes of meetings of owners and the Board of Directors of the Association shall be retained for seven (7) years;
6. Tax returns and audit records shall be retained for seven (7) years;

PAYMENT PLAN POLICY

Pursuant to the Texas Property Code §209.0062 and in order to properly provide for the timely and efficient collection of assessments levied by the Association, the Board shall levy regular and/or special assessments in the manner required by the Association's governing documents, including its Articles of Incorporation/Certificate of Formation and Bylaws, and the restrictive covenants applicable to the Big Rock Lake subdivision, all of which are duly recorded in the Official Public Records of Harrison County, Texas.

The Board shall establish a due date for the payment of all assessments levied by the Association. The Association shall send written notice of the amount of the assessment and the due date for payment of the assessment to all persons responsible for payment of the same no less than thirty (30) days before the due date.

Payment Plans: The notice of assessment shall include information on the availability of Payment Plans as an alternative method of payment for the Assessments.

The term of any payment plan shall be three (3) months from the date of the owner's request for a payment plan.

All payment plans must be in writing, signed by one or more owners of the property subject to the assessments, be approved and signed by an officer or agent of the Association and shall provide that the owner pay all future assessments when due in addition to meeting the terms of the payment plan.

No monetary penalties shall accrue on balances while a payment plan is in good standing, but reasonable costs for administering the plan and interest on the account shall continue to accrue.

Interest shall accrue on all unpaid amounts at 18% or maximum allowed by law.

Any qualified owner who wishes payment plan terms other than those set out above shall submit a request for such a plan with information supporting the need for alternate plan and the Board may deny or approve such a plan in the board's discretion.

The Association is not required to enter into a payment plan with an owner who failed to honor the terms of a previous payment plan within two years of the owner's original payment plan default.

The Board may, in its sole discretion, enter into a payment plan with an owner who has previously defaulted.

Except as otherwise authorized by law, payment received by the Association from an owner shall be applied to the owner's debt in the following order of priority:

1. Any delinquent assessment;
2. Any current assessment;
3. Any attorney's fees or third party collection costs incurred by the Association associated solely with assessments or any other charge that could provide the basis for foreclosure;
4. Any attorney's fees incurred by the Association that are not subject to the preceding subpart;
5. Any fines assessed by the Association
6. Any other amounts owed to the Association.

ARTICLE 8: MISCELLANEOUS

8.1 Fiscal Year. The fiscal year of the Association shall be the calendar year unless the Board establishes a different fiscal year by resolution.

8.2 Parliamentary Rules. Except as may be modified by Board resolution, Robert's Rules of Order Newly Revised (current edition) shall govern the conduct of Association proceedings when not in conflict with Texas law, the Certificate of Formation, the Declaration, or these Bylaws.

8.3 Conflicts. If there are conflicts between the provisions of Texas law, the Certificate of Formation, the Declaration, and these Bylaws, the provisions of Texas law, the Declaration, the Certificate of Formation, and the Bylaws (in that order) shall prevail.

8.4 Books and Records.

(a) Inspection by Members and Mortgagees. The Board shall make available for inspection and copying by any holder, insurer or guarantor of a first Mortgage on a Tract, any Member, or the duly appointed representative of any of the foregoing at any reasonable time and for a purpose reasonably related to his or her interest in a Tract: the Declaration, Bylaws, and Certificate of Formation, any amendments and supplements to the foregoing, the rules of the Association, and the minutes of meetings of the Members, the Board, and committees. The Board shall provide for such inspection to take place at the office of the Association or at such other place within Big Rock Lake subdivision as the Board shall designate during normal business hours.

(b) Delivery of Certain Information to Owner. Within ten (10) Days after receipt of a written request by the Board or its designee from an Owner, the Association shall deliver to the Owner, the Owner's agent, or to a title insurance company or its agent acting on behalf of the Owner, copies of the following, as requested: the Declaration, Bylaws, and Certificate of Formation, any amendments or supplements to the foregoing, the rules of the Association, and a "resale certificate." A "resale certificate" must contain the following: a statement of any right of first refusal or other restraint, if any, contained in the Declaration that restricts the Owner's right to transfer his or her Tract; the frequency and amount of General Assessments; the total of all amounts due and unpaid to the Association that are attributable to the Owner's Tract;

capital expenditures, if any, approved by the Association for the current fiscal year; the amount of reserves, if any, for capital expenditures; the Association's current operating budget and balance sheet; the total of any unsatisfied judgments against the Association; the style and case number of any pending lawsuit in which the Association is a defendant; a copy of a certificate of insurance showing the Association's property and liability insurance relating to the Common Areas and common facilities; a description of any conditions on the Owner's Tract that the Board has actual knowledge are in violation of the Governing Documents; a summary or copy of notices received by the Association from any governmental authority regarding health or housing code violations existing on the preparation date of the resale certificate relating to the Owner's Tract or the Area of Common Responsibility; the amount of any administrative transfer fee charged by the Association for a change of ownership of a Tract; the name, mailing address, and telephone number of the Association's managing agent, if any; and a statement indicating that the Governing Documents allow foreclosure of the Association's lien on the Owner's Tract for failure to pay assessments.

The Association may charge a reasonable fee to assemble, copy, and deliver the information required by this subsection 8.4(b) and may charge a reasonable fee to prepare and deliver an update of a resale certificate.

(c) Rules for Inspection. The Board may establish reasonable rules with respect to: (i) notice to be given to the custodian of the records; (ii) hours and days of the week when such an inspection may be made; and (iii) payment of the cost of reproducing copies of documents requested.

(d) Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make a copy of relevant documents at the expense of the Association.

8.5 Notices. Except as otherwise provided in the Declaration or these Bylaws, all notices, demands, bills, statements, and other communications under the Declaration or these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States mail, first class postage prepaid:

(a) if to a Member or Member, at the address which the Member or Member has designated in writing and filed with the secretary or, if no such address has been designated, at the address of the Tract of such Member or Member; or

(b) if to the Association, the Board, or the managing agent, at the principal office of the Association or the managing agent or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

If mailed, any notice shall be deemed to be delivered when deposited in the United States mail addressed with postage prepaid. To increase flexibility, any Person, including the Association, may consent to or request in writing additional methods of receiving notice, including but not limited to, facsimile, electronic mail or e-mail.

8.6 Indemnification. The Association shall indemnify every officer, director, ACC member and committee member against all damages, liability, and expenses, including attorneys' fees, reasonably incurred in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer, director, ACC member or committee member, except that such obligation to

indemnify shall be limited to those actions for which liability is limited under this Section, the Certificate of Formation and Texas law.

The officers, directors, and ACC and other committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers, directors and ACC and other committee members shall have no personal liability with respect to any contract or other commitment made or action taken in good faith on behalf of the Association (except to the extent that such officers, directors or ACC or other committee members may also be Members of the Association). The Association shall indemnify and forever hold each such officer, director and ACC and other committee member harmless from any and all liability to others on account of any such contract, commitment or action. This right to indemnification shall not be exclusive of any other rights to which any present or former officer, director, or ACC or other committee member may be entitled. The Association shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

8.7 Litigation. Except as provided below, no judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by a vote of Members representing seventy-five percent (75%) of the total votes in the Association. A Member representing Tracts owned by Persons other than himself or herself shall not vote in favor of bringing or prosecuting any such proceeding unless authorized to do so by a vote of the Owners holding seventy-five percent (75%) of the total votes attributable to Tracts in the development represented by the Member. This Section shall not apply, however, to (a) actions brought by the Association to enforce the provisions of this Declaration (including, without limitation, the foreclosure of liens); (b) the imposition and collection of assessments by the Association; (c) proceedings involving challenges to property taxes; (d) counterclaims brought by the Association in proceedings instituted against it; or (e) actions brought by the Association against any contractor, vendor or supplier of goods and services arising out of a contract for services or supplies. This Section shall not be amended unless such amendment is approved by the percentage of votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

8.8 Amendment.

(a) **By Declarant.** Until the Control Transfer Date, the Declarant may unilaterally amend these Bylaws for any purpose. Thereafter, the Declarant may unilaterally amend these Bylaws at any time and from time to time if such amendment is necessary (i) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (ii) to enable any reputable title insurance company to issue title insurance coverage on the Tracts; (iii) to enable any institutional or governmental lender, purchaser, insurer or guarantor of Mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure or guarantee Mortgage loans on the Tracts; or (iv) to satisfy the requirements of any local, state, or federal governmental agency. However, any such amendment shall not adversely affect the title to any Tract unless the Owner shall consent thereto in writing. In addition, during the Development Period, the Declarant may unilaterally amend these Bylaws for any other purpose, provided the amendment has no material adverse effect upon any right of any Member.

(b) By the Board. The Board shall be authorized to amend these Bylaws without the consent of the Members (i) for the purpose of conforming these Bylaws to any mandatory provisions of the Act or other Texas law, and (ii) to correct scriveners' errors and other mistakes of fact, provided that any amendments under this provision have no material adverse effect on the rights of the Members. During the Development Period, any such amendment shall require the consent of the Declarant.

(c) By Members. Except as provided above, these Bylaws may be amended only by the affirmative vote or written consent, or any combination thereof, of Members representing sixty-seven percent (67%) of the total votes in the Association, and, during the Development Period, the written consent of the Declarant. In addition, any notice requirements to Mortgagees as set forth in the Declaration shall be met, if applicable.

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

(d) Validity and Effective Date. In no event shall a change of conditions or circumstances operate to amend any provisions of these Bylaws. No amendment may remove, revoke, or modify any right or privilege of the Declarant without the written consent of the Declarant or the assignee of such right or privilege. If a Member consents to any amendment to the Declaration or these Bylaws, it will be conclusively presumed that such Member has the authority to consent and no contrary provision in any Mortgage or contract between the Member and a third party will affect the validity of such amendment.

EXHIBIT 1
DEFINITIONS

1. **"ACC"**: The Architectural Control Committee, as described in the Declaration.
2. **"Act"**: The Texas Residential Property Owners Protection Act, Title 11, Chapter 209 of the Texas Property Code, as such act may be amended
3. **"Additional Property"**: All of that certain real property which is subject to annexation to the terms of the Declaration.
4. **"Area of Common Responsibility"**: The Boat Slips or Marina and the Common Area, together with those areas, if any, for which the Association has or assumes responsibility pursuant to the terms of the Declaration, any Supplemental Declaration or other applicable covenant, contract, or agreement. The Area of Common Responsibility shall include any real property and improvements which are designated as areas to be maintained by the Association on a recorded subdivision plat for any portion of Big Rock Lake subdivision recorded at Cabinet B, Slide 188-B (Document 2021-00009474), Official Map and Plat Records of Harrison County, Texas.
5. **"Certificate of Formation"**: The Certificate of Formation of BIG ROCK LAKE PROPERTY OWNERS ASSOCIATION, INC., as amended and filed with the Secretary of State of the State of Texas with File Number 804130155.
6. **"Association"**: BIG ROCK LAKE PROPERTY OWNERS ASSOCIATION, INC., a Texas nonprofit corporation, and its successors or assigns.
7. **"Board of Directors" or "Board"**: The body responsible for administration of the Association, selected as provided in the Bylaws and generally serving the same role as the board of directors under Texas corporate law.
8. **"Boat Slips or Marina"**. The personal property that is the proposed covered marina and boats slips situated and attached to the bank of Big Rock Lake which licenses shall be conveyed by the Developer/Declarant and may be owned only by person(s) or entity(ies) that is/are members in good standing with the Association. In the event that a third party lender provides a loan for the purchase of a lot within the Subdivision, a Boat Slip shall be considered personal property and shall be considered attached to the Lot being purchased, and the liens created by the Declaration shall be subordinate to the purchase money lien created by the third party lender in providing funds for both the Lot and the Boat Slip. Each such lienholder who obtains title to any portion of the Property encumbered by its lien pursuant to the remedies provided in the deed of trust or mortgage granting the lien or by judicial foreclosure of the lien shall take title to said Boat Slip as personal property along with the foreclosure of the Lot free and clear of any claims for unpaid Maintenance Charges or other charges of assessments against such Boat Slip as personal property which may have accrued prior to the time such holder acquired title to the Lot and the Boat Slip. No such sale or transfer shall relieve such holder from liability for any Maintenance Charge or other charges or assessments accruing thereafter as to the personal property or Lot or from the lien described in Paragraph 7.03 in the Declaration. Any other sale or transfer of the Boat Slip must be performed in conjunction with the sale of the Lot and shall not affect the Association's lien for Maintenance Charges or other charges or assessments due.
9. **"Builder"**: Any Person who purchases one (1) or more Tracts for the purpose of constructing improvements for later sale to consumers or purchases one (1) or more parcels of land within Big Rock Lake subdivision for further subdivision, development, and/or resale in the ordinary course of such Person's business. Any Person occupying or leasing a Tract for residential purposes shall cease to be considered a Builder with respect

to such Tract immediately upon occupancy of the Tract for residential purposes, notwithstanding that such Person originally purchased the Tract for the purpose of constructing improvements for later sale to consumers.

10. "Bylaws": The Bylaws of BIG ROCK LAKE PROPERTY OWNERS ASSOCIATION, INC., as they may be amended.

11. "Common Area": All real and personal property, including easements and licenses, which the Association owns, leases or holds possessory or use rights in for the common use and enjoyment of the Owners. The term also shall include the Exclusive Common Area, as defined below.

12. "Common Expenses": The actual and estimated expenses incurred, or anticipated to be incurred, by the Association for the general benefit of all Owners, including any reasonable reserve, as the Board may find necessary and appropriate pursuant to the Governing Documents.

13. "Community-Wide Standard": The standard of conduct, maintenance, or other activity generally prevailing throughout Big Rock Lake subdivision. Such standard shall initially be established by the Declarant and may be more specifically determined by the Board of Directors and the ACC.

14. "Control Transfer Date": "Control Transfer Date" shall have the meaning as set forth in the Declaration.

15. "Cost Sharing Agreement": Any agreement, contract or covenant between the Association and an owner or operator of property adjacent to, in the vicinity of, or within Big Rock Lake subdivision, including any Private Amenity, for the allocation of expenses that benefit both the Association and the owner or operator of such property.

16. "Days": Calendar days; provided, however, if the time period by which any action required hereunder must be performed expires on a Saturday, Sunday or legal holiday, then such time period shall be automatically extended to the close of business on the next regular business day.

17. "Declarant": Texas Land & Lakes, LLC, a Texas limited liability company, or any successor, successor-in-title, or assign who takes title to any portion of the property in Big Rock Lake subdivision for the purpose of development and/or sale and who is designated as the Declarant in a recorded instrument executed by the immediately preceding Declarant; provided, however, there shall be only one Person entitled to exercise the rights and powers of the Declarant hereunder at any one time.

18. "Declaration": Any of certain declarations of covenants, conditions and restrictions, or similar document with another title, pertaining to any portion of Big Rock Lake subdivision, which are recorded in the Public Records. Where these Bylaws are inconsistent with or in conflict with the Declaration, the Declaration shall control.

19. "Development Period": The period of time during which the Declarant owns any property which is subject to a Declaration, or any Private Amenity, or has the unilateral right to subject Additional Property to a Declaration pursuant to the terms thereof. The Declarant may, but shall not be obligated to, unilaterally relinquish its rights under this Declaration and terminate the Development Period by recording a written instrument in the Public records.

20. "Exclusive Common Area": A portion of the Common Area intended for the exclusive use or primary benefit of one (1) or more, but less than all, Tracts, as more particularly described in the Declaration.

21. **"General Assessments"**: Assessments and maintenance charges levied on all Tracts subject to assessment by the Association to fund Common Expenses for the general benefit of all Tracts, as more particularly described in the Declaration.
22. **"Governing Documents"**: The Declaration of Covenants, Conditions and Restrictions for Big Rock Lake (and all amendments and supplements thereto), the Articles of Incorporation for the Association, Certificate of Formation, the Bylaws of the Association, any and all Design or Architectural Guidelines, any and all applicable state statutes governing or applying to the Association and all additional covenants governing any portion of Big Rock Lake subdivision or any of the above, as each may be supplemented and amended from time to time.
23. **"Lot or Tract"**: A parcel, lot or a portion of Big Rock Lake subdivision, whether improved or unimproved that may be independently owned and conveyed and which is intended for development, use, and occupancy as an attached or detached single family dwelling and upon special designation as a commercial unit. The term shall refer to the land which is part of the Lot or Tract as well as any improvements thereon. The term shall include within its meaning, by way of illustration but not limitation, single-family detached houses on separately platted Lots or Tracts, as well as vacant land intended for development as such, but shall not include Common Area, common property owned by the Association, or property dedicated to the public. In the case of a parcel of vacant land, lot or land on which improvements are under construction, the parcel shall be deemed to be a single Tract until such time as a subdivision plat or condominium plat is filed of record on all or a portion of the parcel. Thereafter, the portion encompassed by such plat shall contain the number of Tracts determined as set forth in the preceding paragraph and any portion not encompassed by such plat shall continue to be treated in accordance with this paragraph.
24. **"Maintenance Fund"**: An Association fund into which General Assessments are deposited, as may be more particularly described in the Declaration.
25. **"Majority"**: Those votes, Owners, Members, or other group, as the context may indicate, totaling more than fifty percent (50%) of the total eligible number.
26. **"Member"**: A Person entitled and subject to membership in the Association pursuant to Article 2.
27. **"Mortgage"**: A mortgage, a deed of trust, a deed to secure debt, or any other form of security instrument affecting title to any Tract.
28. **"Mortgagee"**: A beneficiary or holder of a Mortgage.
29. **"Big Rock Lake subdivision"**: That certain planned community located in Harrison County, Texas, which is commonly known and referred to as Big Rock Lake.
30. **"Owner"**: One (1) or more Persons who hold the record title to any Tract, including the Declarant and any Builder but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Tract is sold under a recorded land sales contract, and the contract specifically so provides, the purchaser (rather than the fee owner) will be considered the Owner. If a Tract is owned by more than one (1) Person, all such Persons shall be jointly and severally obligated to perform the responsibilities of such Owner.
31. **"Person"**: A natural person, a corporation, a partnership, a limited liability company, a fiduciary acting on behalf of another person or any other legal entity.
32. **"Private Amenity"**: Certain real property and any improvements and facilities thereon located adjacent to, in the vicinity of, or within the Big Rock Lake subdivision, designated by the Declarant and which are owned and operated, in whole or in part, by

Persons other than the Association for recreational or other purpose. The use of the term "Private Amenity" shall not be construed to imply or require a private club. Private Amenities may be operated on a daily fee, use fee, public, or private basis or otherwise, and may include, any recreational amenities so located and all related and supporting facilities and improvements. Declarant reserves the right to designate additional Private Amenities in its sole discretion.

33. "Public Records": The official real property records of Harrison County, Texas.

34. "Supplemental Declaration": An instrument filed in the Public Records which subjects additional property to a Declaration, designates additional property to become subject to the Declaration, and/or imposes, expressly or by reference, additional restrictions and obligations on the land described in such instrument.

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting President of BIG ROCK LAKE PROPERTY OWNERS ASSOCIATION, INC. a Texas non-profit corporation;

That the foregoing Bylaws constitute the original Bylaws of the Association, as duly adopted at a meeting of the Board of Directors thereof held effective as of June 25, 2021.

IN WITNESS WHEREOF, I have hereunto subscribed my name effective as of June 25, 2021 and signed on this the 27 day of August, 2021.

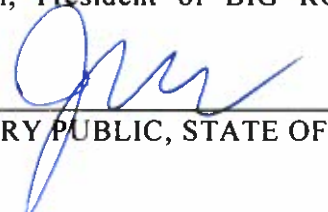


Marcus Smith, President

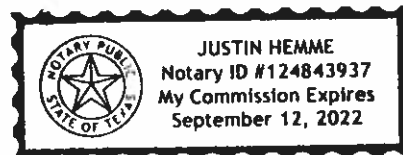
ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF Dallas §

This instrument was acknowledged before me on the 27 day of August, 2021, by Marcus Smith, President of BIG ROCK LAKE PROPERTY OWNERS ASSOCIATION, INC.



NOTARY PUBLIC, STATE OF TEXAS



*** DO NOT REMOVE THIS PAGE – IT IS A PART OF THIS INSTRUMENT***

DECLARATION OF RESTRICTIVE COVENANTS

36 Pages

FILED AND RECORDED-OPR	CLERKS NOTES
On: <u>08/23/2021 12:34 PM</u>	
Document Number: <u>2021-000010365</u>	
Receipt No: <u>2110740</u>	
Amount: \$ <u>162.00</u>	
By: <u>Stephanie Coyle</u> , Deputy	
Elizabeth James, County Clerk Harrison County, Texas	



STATE OF TEXAS

COUNTY OF HARRISON

I hereby certify that this instrument was filed on the date and time stamped hereon by me and was duly recorded in the Official Public Records of Harrison County, Texas.

Elizabeth James
Elizabeth James, Harrison County Clerk

Record and Return To:



TEXAS LAND & LAKES
1620 E BELTLINE RD

CARROLLTON, TX 75006

Developer hereby declares that all of the property shown on the Plat and any Additional Property subjected to this Declaration by Supplemental Declaration (as defined in Paragraph 1.03 below) shall be held, sold, used and conveyed subject to the following easements, restrictions, covenants and conditions, which shall run with the title to the real property subjected to this Declaration. This Declaration shall be binding upon all parties having any right, title or interest in any portion of the Properties, their heirs, successors, successors-in-title and assigns, and shall inure to the benefit of each owner of any portion of the Properties.

Developer is the owner of the real property described on the Plat of Big Rock Lake, incorporated herein by reference. This Declaration imposes upon the property contained in the Plat and any Additional Property mutually beneficial restrictions under a general plan of improvement for the benefit of the Owners of each portion of the Plat and any Additional Property and establishes a flexible and reasonable procedure for the overall development, administration, maintenance and preservation of the Properties. In furtherance of such plan, this Declaration provides for the Big Rock Lake Property Owners Association, Inc. (the "Association") to own, operate and maintain Common Areas, roads, minerals and to administer and enforce the provisions of this Declaration and the By-Laws.

SECTION I DEFINITIONS

1.01. "The Act" shall mean The Texas Residential Property Owners Protection Act, Title 11, Chapter 209 of the Texas Property Code, as such act may be amended.

1.02. "ACC" shall mean and refer to the Architectural Control Committee for the Big Rock Lake subdivision.

1.03. "Additional Property" or "property subject to annexation" shall mean all of that certain real property that is located within a five (5) mile radius of the perimeter boundary of the land described and shown on the Plat of Big Rock Lake recorded at Cabinet B, Slide 188-B (Document 2021-000009474), Official Map and Plat Records of Harrison County, Texas and such real property is subject to annexation to the terms of this Declaration.

1.04. "Adjacent Properties" shall mean any residential, nonresidential, or recreational areas, including, without limitation, single family residential developments, assisted living facilities, retail, office, commercial, or institutional areas and Private Amenities, which are located adjacent to, in the vicinity of, or within the land contained in the Plat or the Additional Property; which are owned and operated, in whole or in part, by Persons other than the Association; which are not subject to this Declaration; and which are neither Tracts nor Common Area as defined in this Declaration.

1.05. "Association" shall mean and refer to the property owners association for the Subdivision whose legal name is the "Big Rock Lake Property Owners Association, Inc.," its successors and assigns.

1.06. "Big Rock Lake" and/or "Subdivision" shall mean and refer to Big Rock Lake and any phase or section of Big Rock Lake, hereafter or heretofore made subject to the jurisdiction of the Association, which property is shown on the Plat of Big Rock Lake recorded at Cabinet B, Slide 188-B (Document 2021-000009474), Map and Plat Records of Harrison County, Texas, as supplemented and/or amended.

1.07. "Board of Directors" shall mean and refer to the Board of Directors of the Association.

1.08. "Boat Dock" shall mean and refer to a watercraft storage facility built on waterfront tracts adjacent to the Lake (Big Rock Lake as defined below) located within Big Rock Lake Subdivision.

1.09. "Pier" shall mean a platform supported on posts, pillars or girders leading out from the shore into the water used as a landing stage for boats.

1.10. "Builders" shall mean and refer to persons or entities that purchase tracts and build speculative or custom homes or residences thereon for third party purchasers or are in the building industry and business.

1.11. "Boat Slips" shall mean and refer to a community watercraft storage facility which is used exclusively by Owners of Tract(s) in BIG ROCK LAKE subdivision.

1.12. "Common Area" shall mean all real property (including the improvements thereto) within the Subdivision owned by the Developer and/or the Association for the common use and enjoyment of the Owners.

1.13. "Contractor" shall mean and refer to the person or entity with which an Owner contracts to construct a residential dwelling on such Owner's Tract.

1.14. "Control Transfer Date" shall mean and refer to the date that Developer transfers control of the Association to the owners of Big Rock Lake Subdivision and as further defined in paragraph 5.02.2.

1.15. "County Road" shall mean and refer to roads that are maintained by Harrison County, Texas.

1.16. "Declaration" or "Restrictions" shall mean this First Amended Declaration of Covenants, Conditions and Restrictions for Big Rock Lake.

1.17. "Developer" or "Declarant" shall mean and refer to TEXAS LAND & LAKES, LLC and its successors and assigns.

1.18. "Front Lot Line" or "Front Property Line" shall mean and refer to the property boundary line adjoining the street to which the front of the dwelling faces and to which the address of the dwelling shall be.

1.19. "Governing Documents" shall mean and refer to the following documents collectively: this Declaration of Covenants, Conditions and Restrictions for Big Rock Lake (and all amendments and supplements thereto), the Articles of Incorporation for the Association, the Bylaws of the Association, any and all Design or Architectural Guidelines and/or all applicable state statutes governing or applying to the Association.

1.20. "Lake" shall mean the Lake known as Big Rock Lake and designated as Common Area.

1.21. "Tract" or "Lot" shall mean and refer to any plot of land identified as a tract or home site on the recorded Plat of Big Rock Lake recorded in the Map and Plat records of Harrison County, Texas. For purposes of this instrument, "Tract" shall not be deemed to include any portion of the "Common Areas" or "Unrestricted Reserves," or "Reserves" (defined herein as any Common Areas, Reserves and Unrestricted Reserves shown on the Plat) in Big Rock Lake regardless of the use made of such area.

1.22. "Member" shall mean and refer to every person or entity that holds a membership in the Association.

1.23. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any Tract which is a part of the Subdivision but excluding those having such interest merely a security for the performance of an obligation.

1.24. "Private Amenities" shall mean and refer to Common Areas as designated on the Plat and certain real property and any improvements and facilities thereon located adjacent to, in the vicinity of, or within the Properties, designated by the Developer and which are owned and operated, in whole or in part, by the Association for recreational or other purpose. Private Amenities may be operated on a daily fee, use fee, public, or private basis or otherwise, and may include, any recreational amenities so located and all related and supporting facilities and improvements. Developer reserves the right to designate additional Private Amenities or remove Private Amenities in its sole discretion.

1.25. "Private Road" or "Private Streets" shall mean and refer to, roads and/or streets within Big Rock Lake Subdivision and that will be maintained by the Association.

1.26. "Properties" shall mean and refer to any land previously not defined by these Restrictions found within Big Rock Lake Subdivision.

1.27. "Rear Lot Line" or "Rear Property Line" or "Rear Boundary Line" shall mean and refer to that Tract boundary line opposite the front property boundary line as delineated by the Plat.

1.28. "Restrictions" or "Declaration" shall mean this First Amended Declaration of Covenants, Conditions and Restrictions for Big Rock Lake.

1.29. "Retaining Wall" shall mean and refer to a wall built along the shoreline of the Richland Chambers Reservoir.

1.30. "Side Lot Line" or "Side Property Line" shall mean and refer to any Tract line that is not a Front Property Line or a Rear Property Line.

1.31. "Soffit" shall be defined as the underside of structural components, such as eaves and overhangs.

1.32. "Subdivision" shall mean all those lots, tracts, common area, properties or units forming Big Rock Lake and as described and shown on the Plat of Big Rock Lake as amended and supplemented.

1.33. "Waterfront Tract" shall mean and refer to those particular Tracts in the Subdivision that are adjacent to the Lake (Big Rock Lake) and that have frontage on the Lake (Big Rock Lake).

SECTION II RESERVATIONS, EXCEPTIONS AND DEDICATIONS

2.01. Recorded Subdivision map of the Property. The plat ("Plat") of Big Rock Lake, for all separate and distinct phases of the Subdivision dedicates for use as such, subject to the limitations as set forth therein, the roads (public or private as the case may be), streets and easements shown thereon. The Plat further establishes certain restrictions applicable to Big Rock Lake. All dedications, restrictions, easements and reservations created herein or shown on the Plat, any subsequent Plats of additional Phases, which are governed by these Restrictions, replats or amendments of the Plats of BIG ROCK LAKE recorded or hereafter recorded shall be construed as being included in each contract, deed, or conveyance executed or to be executed by or on behalf of Developer, whether specifically referred to therein or not.

2.02. Easements. Developer reserves for public use and for private utility use the utility easements shown on the recorded Plat or that have been or hereafter may be created by separate

instrument recorded in the Official Public or Official Real Property Records of Harrison County, Texas, for the purpose of constructing, maintaining and repairing a system or systems of electric lighting, electric power, water, telegraph and telephone line or lines, fiber optic lines, storm surface drainage, cable television, or any other utility the Developer sees fit to install in, across and/or under the Property. All utility easements in the subdivision may be used for the construction of drainage swales in order to provide for improved surface drainage of the Roads, Reserves, Common Area and/or Tracts. Should any utility company furnishing a service covered by the general easement herein provided request a specific easement by separate recordable document, Developer, without the joinder of any other Owner, shall have the right to grant such easement on said Property without conflicting with the terms hereof. Any utility company serving the subdivision shall have the right to enter upon any utility easement for the purpose of installation, repair and maintenance of their respective facilities. Neither Developer nor any utility company, political subdivision or other authorized entity using the easements herein referred to shall be liable for any damages done by them or their assigns, agents, employees, or servants, to fences, shrubbery, trees and lawns or any other property of the Owner on the property covered by said easements. Additionally, Developer reserves and hereby dedicates all areas located within the 100-year flood plain as depicted by the Federal Emergency Management Authority ("FEMA") as a Drainage Easement, and subject to the terms and status of a Drainage Easement. Developer reserves the right and ability to enter the Lot or Tract where a drainage easement is located or the 100-year flood plain is located to perform work as necessary within such drainage easements to ensure proper drainage of the Subdivision and/or individual Tracts as designed. Any and all Access Easements found within the Subdivision are dedicated for use by the Developer and the Members of the Association for ingress and egress across such Tracts as may be burdened by such Access Easement and may be used for ingress and egress by the Developer or such other individuals, persons or entities as may be provided for by the Developer through written consent or written license.

2.03. Title Subject to Easements. It is expressly agreed and understood that the title conveyed by Developer to any of the Tracts by deed or other conveyance shall be subject to any easement affecting same for roadways or drainage, electric lighting, electric power, water, telegraph or telephone purposes, maintenance, utility, access and other easements hereafter granted affecting the Tracts. The Owners of the respective Tracts shall not be deemed to own pipes, wires, conduits or other service lines running through their Tracts which are utilized for or service other Tracts, but each Owner shall have an easement in and to the aforesaid facilities as shall be necessary for the use, maintenance and enjoyment of his Tract. The Developer may convey title to said easements to the public, a public utility company or the Association.

2.04. Utility Easements. There are hereby reserved to the Developer at all times prior to the Control Transfer Date, the Association, and the designees of each (which may include, without limitation, any governmental or quasi-governmental entity and any utility company) perpetual non-exclusive easements upon, across, over, and under all of the Tracts to the extent reasonably necessary for the purpose of installing, constructing, monitoring, replacing, repairing, maintaining, operating and removing cable television systems, master television antenna systems, and other devices for sending or receiving data and/or other electronic signals; security and similar systems; roads, walkways, pathways and trails; lakes, ponds, wetlands, irrigation, and drainage systems; street lights and signage; and all utilities, including but not limited to sewer, telephone, gas and electricity, and utility meters; and an easement for access of vehicular and pedestrian traffic over, across and through the Properties, as necessary, to exercise the easements described above. Developer specifically grants to the local water supplier, electric company, telephone company, cable company, and natural gas supplier the easements set forth herein across the Properties for ingress, egress, installation, reading, replacing, repairing, and maintaining utility lines, meters and boxes, as applicable.

2.04.1. Utility ground and aerial easements have been dedicated in accordance with the Plat and by separate recorded easement documents.

2.04.2. A 30-foot electrical easement is dedicated at the back of Lots 1-2 Inclusive and Lots 71-81 Inclusive for overhead electrical service.

2.04.3. No building shall be located over, under, upon or across any portion of any utility easement or any other easement as shown in the Plat or otherwise by recorded document. The Owner of each Tract shall have the right to construct, keep and maintain concrete drives, fences, and similar improvements across any utility easement, and shall be entitled to cross such easements at all times for purposes of gaining access to and from such Tracts, provided, however, any concrete drive, fence or similar improvement placed upon such Utility Easement by the Owner shall be constructed, maintained and used at Owner's risk and, as such, the Owner of each Tract subject to said Utility Easements shall be responsible for (i) any and all repairs to the concrete drives, fences and similar improvements which cross or are located upon such Utility Easements and (ii) repairing any damage to said improvements caused by the Utility District or any public utility in the course of installing, operating, maintaining, repairing, or removing its facilities located within the Utility Easements.

2.04.4. Any damage to a Tract resulting from the exercise of the easements described in this Section shall promptly be repaired by, and at the expense of, the Person or entity exercising control of the easement. The exercise of these easements shall not extend to permitting entry into the structures on any Tract, nor shall it unreasonably interfere with the use of any Tract, and except in an emergency, entry onto any Tract shall be made only after reasonable notice to the Owner or occupant.

2.05. Easement for Slope Control, Drainage and Waterway Maintenance. The Developer, for itself and the Association, and their respective representatives, successors and assigns, contractors and agents, hereby establishes and reserves a permanent and perpetual non-exclusive easement appurtenant over, across, under, through and upon each Tract for the purposes of:

2.05.1. controlling soil erosion, including grading and planting with vegetation any areas of any Tract which are or may be subject to soil erosion;

2.05.2. drainage of natural or man-made water flow and water areas from any portion of the Property or any amenity;

2.05.3. changing, modifying or altering the natural flow of water, water courses or waterways on or adjacent to any Tract or Common Area;

2.05.4. dredging, enlarging, reducing or maintaining any water areas or waterways within the Property other than those approved by Harrison County; and

2.05.5. Installing such pipes, lines, conduits or other equipment as may be necessary for slope control, drainage and waterway maintenance of any portion of the Property or any amenity.

2.06. Easements to Serve Additional Property. The Developer hereby reserves for itself and its duly authorized agents, representatives, and employees, successors, assigns, licensees, and mortgagees, an easement over the Common Area for the purposes of enjoyment, use, access, and development of the Additional Property, whether or not such property is made subject to this Declaration. This easement includes, but is not limited to, a right of ingress and egress over the Common Area for construction of roads, for the posting of signs and for connecting and installing utilities serving the Additional Property. Developer agrees that it and its successors or assigns shall be responsible for any damage caused to the Common Area as a result of vehicular traffic connected with development of the Additional Property.

2.07. Easement for Entry. The Association shall have the right, but not the obligation, and a perpetual easement is hereby granted to the Association, to enter all portions of the Properties, including each Tract, for emergency, security, and safety reasons. Such right may be exercised by the authorized agents, employees and managers of the Association, any member of its Board or committees, and its officers, and by all police officers, fire fighters, ambulance personnel, and similar emergency personnel in the performance of their duties. Except in emergencies, entry onto a Tract shall be only during reasonable hours and after notice to and permission from the Owner. This easement includes the right to enter any Tract to cure any condition which may increase the possibility of fire, slope erosion, immediate risk of personal injury, or other hazard if an Owner fails or refuses to cure the condition within a reasonable time after request by the Board, but shall not authorize entry into any dwelling without permission of the Owner, except by emergency personnel acting in their official capacities. Any entry by the Association or its authorized agents, employees or managers of the Association, any member of its Board or committees, or its officers onto a Tract for the purposes specified herein shall not constitute a trespass.

2.08. Easements for Maintenance and Enforcement. Authorized agents of the Association shall have the right, and a perpetual easement is hereby granted to the Association, to enter all portions of the Properties, including each Tract to (a) perform its maintenance responsibilities, and (b) make inspections to ensure compliance with the Governing Documents. Except in emergencies, entry onto a Tract shall be only during reasonable hours. This easement shall be exercised with a minimum of interference to the quiet enjoyment to Owners' property, and any damage shall be repaired by the Association at its expense. Entry under this Section shall not constitute a trespass.

2.09. Mowing Easement. Developer reserves an easement for the mowing of roadways, drainage areas, street ditches, common areas, reserves and, if necessary Tracts subject to these Restrictions. Such easement includes the right to mow and maintain the areas listed above to keep in good condition. This paragraph in no way shall limit or diminish the obligation of the Owner of each Tract to maintain their Tract or Tracts. In the event that mowing of a Tract owned by a Member, the Association may charge a fee for the mowing such Tract.

The Association also may enter a Tract or Lot to abate or remove, using such measures as may be reasonably necessary, any structure, thing or condition which violates the Governing Documents. All costs incurred, including reasonable attorneys' fees as allowed by the Act, may be assessed against the violator as a Specific Assessment.

2.10. Maintenance and Flood Water Easement. The Developer reserves for itself and its successors, assigns, and designees the nonexclusive right and easement, but not the obligation, to enter upon the streams, and wetlands located within Reserves, Restricted Reserves, Common Areas or designated Easements to (a) install, keep, maintain, and replace pumps and irrigation systems in order to provide water for the irrigation of any of the Common Areas or Reserves; (b) construct, maintain, and repair any Retaining Wall, bulkhead, wall, dam or other structure retaining water; and (c) remove trash and other debris there from and fulfill their maintenance responsibilities as provided in this Declaration. Developer and its designees shall have an access easement over and across any of the Properties abutting or containing any portion of any pond, stream or wetland to the extent reasonably necessary to exercise their rights under this Section.

2.11. Access and Encroachment over the Common Area and Tracts. Developer further reserves for itself and its successors, assigns and designees, a perpetual, nonexclusive right and easement of access and encroachment over the Restricted Reserves, Reserves, Private Roads, Common Area and Tracts (but not the dwellings thereon) adjacent to or within twenty feet (20')

of ponds, streams and wetlands in order to (a) temporarily flood and back water upon and maintain water over such portions of the Properties; (b) fill, drain, dredge, deepen, clean, fertilize, dye, and generally maintain the ponds, streams, and wetlands within the Common Areas; (c) maintain and landscape the slopes and banks pertaining to such ponds, streams, and wetlands; and (d) enter upon and across such portions of the Properties for the purpose of exercising its rights under this Section. All persons entitled to exercise these easements shall use reasonable care in, and repair any damage resulting from the intentional exercise of such easements. Nothing herein shall be construed to make Developer or any other Person liable for damage resulting from flooding due to heavy rainfall or other natural disasters.

2.12. Easements for Lake and Pond Maintenance and Flood Water. The Developer reserves for itself and its successors, assigns, and designees the nonexclusive right and easement, but not the obligation, to enter upon the lakes, ponds, streams, and wetlands located within Common Areas or Easements to (a) install, keep, maintain, and replace pumps and irrigation systems in order to provide water for the irrigation of any of the Common Areas or Reserves; (b) construct, maintain, and repair any Retaining Wall, bulkhead, wall, dam or other structure retaining water; and (c) remove trash and other debris there from and fulfill their maintenance responsibilities as provided in this Declaration. Developer and its designees shall have an access easement over and across any of the Properties abutting or containing any portion of any pond, stream or wetland to the extent reasonably necessary to exercise their rights under this Section.

Developer further reserves for itself and its successors, assigns and designees, a perpetual, nonexclusive right and easement of access and encroachment over the Common Area and Tracts (but not the dwellings thereon) adjacent to or within twenty feet (20') of lakes, ponds, streams and wetlands in order to (a) temporarily flood and back water upon and maintain water over such portions of the Properties; (b) fill, drain, dredge, deepen, clean, fertilize, dye, and generally maintain the ponds, streams, and wetlands within the Common Areas; (c) maintain and landscape the slopes and banks pertaining to lakes, ponds, streams, and wetlands; and (d) enter upon and across such portions of the Properties for the purpose of exercising its rights under this Section. All persons entitled to exercise these easements shall use reasonable care in such easements and repair any damage resulting from the intentional exercise of such easements. Nothing herein shall be construed to make Developer or any other Person liable for damage resulting from flooding due to heavy rainfall or other natural disasters.

Developer reserves unto itself the right, in the exercise of its sole discretion, upon the request of any Person holding, or intending to hold, an interest in the Properties, or at any other time, (i) to release all or any portion of the Properties from the burden, effect, and encumbrance of any of the easements granted or reserved under this Section, or (ii) to define the limits of any such easements.

2.13. Developer Power to Release Easements. Developer reserves unto itself the right, in the exercise of its sole discretion, upon the request of any Person holding, or intending to hold, an interest in the Properties, or at any other time, (i) to release all or any portion of the Properties from the burden, effect, and encumbrance of any of the easements granted or reserved under this Section II, or (ii) to define the limits of any such easements reserved in this Section II. This reservation of right to release easements shall not transfer to the Association upon termination of the Developer/Declarant rights.

2.14. Developer Access after Control Transfer Date. Developer reserves for itself and for its affiliates, successors, assigns and designees, a perpetual, nonexclusive right and easement for access and entrance over and through the Subdivision and over any Private Roads located therein. The Association may not obstruct, hinder or impede Developer, and its affiliates, successors, assigns or designees from entrance into the Subdivision after the Control Transfer Date as defined herein.

2.15. Lateral Support. Every portion of the Common Area, every Lot, and any improvement which contributes to the lateral support of another portion of the Common Area or

of another Tract shall be burdened with an easement for lateral support, and each shall also have the right to lateral support which shall be appurtenant to and pass with title to such property.

2.16. Easements for Private Amenities.

2.16.1. Under no circumstances shall the Developer, or any successor Developer; the Association or its Members (in their capacity as such); or any officer or director, member, manager or partner of any of the foregoing be held liable for any damage or injury resulting from any activity relating to any Private Amenity, including, but not limited to, the exercise of the easements set forth in this Section.

2.16.2. The Developer hereby reserves for itself, its successors and assigns, and may assign to the owner(s) of the Private Amenities, an easement and all rights to draw water from the lakes and ponds within or adjacent to the Properties for purposes of irrigation of the Private Amenities and for access to and the right to enter upon the lakes and ponds within or adjacent to the Properties, if any, for installation and maintenance of any irrigation systems.

2.17. Rights to Stormwater Runoff, Effluent and Water Reclamation. Developer hereby reserves for itself and its designees, including, but not limited to, the owner of any Amenity, all rights to ground water, surface water, storm water runoff, and effluent located or produced within the Properties, and each Owner agrees, by acceptance of a deed to a Tract, that Developer shall retain all such rights. Such right shall include an easement over the Properties for access, and for installation and maintenance of facilities and equipment to capture and transport such water, runoff and effluent.

2.18. Private Roads/ Private Streets. Every Owner shall have a right and nonexclusive easement of use, access, and enjoyment in and to, over and across any streets and roads which are to be located within the Subdivision, for the purpose of ingress and egress to public rights-of-way and to Common Areas. The rights and nonexclusive easements granted herein are appurtenant to the title to each Tract, subject to:

2.18.1. The terms and limitations as set forth in this Declaration;

2.18.2. The right of the Developer, so long as the Developer owns the Private Streets, to adopt, amend and repeal rules regulating the use and enjoyment of the Private Streets, provided that the Developer shall not by the adoption of any rule or regulation bar access of the Owners across the Private Streets;

2.18.3. The right of the Developer to dedicate all or any part of Private Streets to the Association;

2.18.4. The right of the Developer to mortgage, pledge, or hypothecate any or all of the Private Streets as security for money borrowed or debts incurred, provided that the Developer shall not subject the Private Streets to any security instrument without obtaining the agreement of the lender to subordinate its interest in the Private Streets to the easements for the Owners contained in this Section; and

2.18.5. Any Owner may extend his or her right of use and enjoyment to the members of his or her family, lessees, and social invitees, as applicable.

2.19. Liability for Use of Easements. No Owner shall have a claim or cause of action against the Developer, its successors or assigns, or the Association, including without limitation the owner(s) of any Common Areas or Amenities, arising out of the exercise or non-exercise of any easement reserved hereunder or shown on any subdivision plat for the Properties, except in cases of intentional, willful or wanton misconduct.

SECTION III USE RESTRICTIONS

3.01. Single Family Residential Construction Only. No building shall be erected, altered, placed or permitted to remain on any Tract other than dwellings to be used for residential purposes. All Tracts must comply with the rules, regulations and ordinances imposed by Harrison County regarding construction. All single story dwellings on all tracts must have at least One Thousand, Four Hundred, (1,400) square feet of heated and cooled living area, excluding porches, and have at least a two (2) car garage and no more than a five (5) car garage, which may be detached and must be a side entry. Two (2) story dwellings must have a minimum of One Thousand, Eight hundred, (1,800) square feet of heated and cooled living area, excluding porches (all tracts). Two (2) story dwellings must contain at least One Thousand, Four Hundred (1,400) square feet on the ground floor and must have at least a two (2) car garage and no more than a five (5) car garage, which may be detached and must be a side entry garage. Carports shall not be allowed. The term "dwelling" does not include mobile homes, single or doublewide manufactured homes, modular or prefabricated (prefab) homes, and said mobile homes, manufactured homes and prefabricated homes are not permitted within the subdivision. All primary and secondary dwellings must be site constructed, built with new construction materials and use exterior materials that are approved by the Architectural Control Committee (the "ACC"). Aluminum, metal, steel, asbestos, and/or plywood siding shall not be allowed. Vinyl siding will be allowed on the soffits only. All primary and secondary dwellings are required to have a concrete and rebar foundation, a pier foundation or a combination of a concrete slab and pier foundation that is engineered and sealed by a Professional Engineer ("P.E.") licensed in the State of Texas.

3.02. Secondary Dwellings and Detached structures.

3.02.1. One secondary dwelling may be built on tracts, provided said secondary dwelling contains a minimum of Five Hundred (500) square feet and cannot exceed One Thousand, Two Hundred (1,200) square feet of living area size. Secondary dwellings must be built after or while the primary dwelling is being built and must be approved by the ACC.

3.02.2. Detached garages, open-air structures (including decks, patios, gazebos, pavilions, tree houses, and other open-air structures, whether roofed or not), workshops and accessory buildings may be constructed on a Tract prior to the primary dwelling being built. Barns shall not be allowed or permitted on any tract or lot. Detached garages, workshops and accessory buildings may contain interior plumbing and may contain bathroom facilities prior to occupancy of the primary dwelling; however, such detached garage, workshop or accessory building shall not exceed two thousand (2,000) square feet. No person shall temporarily or permanently live in the garage, open-air structures, workshop, or accessory building. All primary dwellings, detached garages, open-air structures, workshops, accessory buildings and any other improvements must be approved in writing by the ACC prior to being erected, altered or placed on the Tract. Detached garages must be built out of similar material as the primary dwelling. Other accessory buildings or open-air structures must be built with new construction material and may be built with wood and/or factory-coated metal, and must be approved in writing by the ACC. Detached garages, open-air structures, workshops, or accessory buildings may not be used as a temporary or permanent residence. Door opening on workshop and accessory building, may face the front property line. All shingle roofs must have at least a 30-year life, all other shingle roofs are not permitted. Standing seam metal, metal and tile roofs are permitted. Any building, structure or improvement commenced on any Tract shall be completed as to exterior finish and appearance within nine (9) months from the commencement date and fully completed as to the entire construction including the interior within twelve (12) months. While dwellings and/or accessory buildings are being constructed, the Owner and/or Contractor must provide a trash dumpster and temporary restroom facilities on the Tract. The Owner and/or Contractor may temporarily keep and

store construction materials on the Tract as required to construct buildings permitted by the Declaration, and such shall not be considered "unsightly" as described in Section 3.13 herein.

For the purpose of this Declaration, the term "roofing materials" shall mean shingles or other permitted materials described herein proposed to be installed on the roof of the Owner's home or authorized outbuilding located on the Owner's lot within the Subdivision, when the materials meet the following standards:

1. They are designed primarily to:
 - a) be wind and hail resistant;
 - b) provide heating and cooling efficiencies greater than those provided by customary composite shingles; or
 - c) provide solar generation capabilities; and
2. when installed:
 - a) resemble the shingles used or otherwise authorized materials for use on property within the Subdivision;
 - b) are more durable than and are of equal or superior quality to the shingles or materials provided in Paragraph 1 above; and
 - c) match the aesthetics of the property surrounding the owner's property.

Applications for installation of such Roofing Materials shall be submitted to the ACC in the same manner as applications for approval of any other improvement. The ACC may require that the Owner provide supporting documentation from the manufacturer of the shingle or materials which establishes that the proposed installation meets the above described standards.

An application which meets all of the following conditions shall be deemed approved by the ACC forty (40) days from the date of the ACC's receipt of the Owner's application unless the ACC notifies the Owner in writing within the forty (40) day period that additional information is required or that one or more standards have, in the opinion of the ACC, not been established.

The ACC may deny an application for, or impose reasonable restrictions on, the installation of roofing materials that do not meet one or more of the required standards. All ACC findings shall be in writing. All appeals and subsequent hearings regarding an ACC decision shall be in compliance with the dates, times, notice requirements and rules as are in place as stated in the Texas Property Code.

3.03. Composite Building Site. Any Owner of one or more adjoining Tracts (or portions thereof) may, with the prior written approval of the ACC, consolidate such Tracts or portions into one (1) building site, with the privilege of placing or constructing improvements on such resulting site, in which case the side set-back lines shall be measured from the resulting Side Property Lines rather than from the Tract lines as indicated on the Plat. It is the responsibility of the owner to obtain all needed easement releases from the appropriate agencies and all approvals from the appropriate Harrison County and/or City authorities.

3.04. Location of the Improvements

3.04.1. Waterfront Tracts. On all Waterfront Tracts, no building of any kind shall be located on any tract nearer than fifty (50) feet from the Front Property Line, ten (10) feet from any Side Lot Line, and twenty (20) feet from the shoreline of Big Rock Lake. Regardless of property line, no building shall be closer than fifty (50) feet from the property line adjoining any road, except on corner tract. All primary dwellings must

directly face the Front Property Line: i.e. the front door of the dwelling must face the Front Property Line and Street.

3.04.2. Non-Waterfront Tracts. On non-Waterfront Tracts, no building of any kind shall be located on any tract nearer than fifty (50) feet from the Front Property Line and ten (10) feet from any Side or Rear Lot Line. Regardless of property line, no building shall be closer than fifty (50) feet from the property line adjoining any road, except on corner tract. All primary dwellings must directly face the Front Property Line: i.e. the front door of the dwelling must face the Front Property Line and Street.

3.05. Height Restriction. Notwithstanding, the maximum height shall be two (2) stories, but not to exceed thirty-five (35) feet per dwelling from the first floor elevation, which is measured from the highest point of the virgin soil. Height of any accessory building shall not exceed twenty-five (25) feet. Provided however, as to any Tract, the ACC may waive or alter any such setback line or height restriction, if the ACC, in its sole discretion determines that such waiver, or alteration is necessary to permit effective utilization of a Tract. Any such waiver or alteration must be in writing and recorded in the Official Public of Records of Harrison County, Texas.

3.06. Use of Temporary Structures. Except as set forth below, no structure of a temporary character, whether basement, shack, garage, recreational vehicle, camper, tent or other outbuilding shall be maintained or used on any Tract at any time as a residence, either temporarily or permanently. Notwithstanding, the Developer reserves the exclusive right to erect, place and maintain such facilities in or upon any portion of the subdivision as in its sole discretion may be necessary or convenient while selling Tracts. No tents are allowed. Occupied, self-contained campers or recreational vehicles will be permitted on the property so long as such campers or recreational vehicles are on the property no longer than seven (7) consecutive calendar days and no longer than fourteen (14) total calendar days out of a thirty (30) day period. All non-self-contained campers must have some type of chemical toilet. No tract owner may utilize a House Boat as a residence or temporary residence for any length or period of time that extends past fourteen (14) consecutive calendar days. The House Boat must be moored to the existing boat dock or pier.

3.07. Walls and Fences. Walls, fences and gates, if any, must be approved prior to construction by the ACC. Walls and fences may be constructed of wood, metal pipe, masonry, masonry veneer, wrought iron, coated chain link, PVC and/or vinyl rail, or a combination thereof, but nothing else. All wooden fences (except cedar and redwood) must be painted or stained in a color approved by the ACC. All fencing shall be a minimum of four (4) feet in height and a maximum of six (6) feet in height but in no instance can a fence or wall block views of the Lake, and no wall or fence may be placed within three-feet (3') of a retaining wall and/or the shoreline of the Lake. No fence shall be closer to the Front Property Line than the front line of the house. On corner lots, side or rear fencing shall be no closer than 50 feet from the property line. Privacy fencing with a maximum height of eight (8) feet may be allowed on non-perimeter fencing, around the house area, at the discretion of the ACC. All fences must be maintained to the satisfaction of the Association. Fencing may be constructed in the easements surrounding the Lake (Big Rock Lake) and as shown on the plat, however, the utility company and/or the Association shall have the right to remove the Owner's fencing, at the Owner's expense, if the utility company and/or the Association requires or requests access across the easement that that party maintains or owns. Additionally, the utility company and/or the Association shall have no obligation to replace such fencing.

3.08. Mailboxes, Flags and Religious Items. All individual mailboxes must be of masonry construction and meet Harrison County requirements.

3.08.1. "Flag" or "Flags" shall mean the following:

1. The flag of the United States of America;
2. The flag of the State of Texas;
3. An official or replica flag of any branch of the United States Armed Forces;

3.08.2. Any flag approved as provided by applicable law and this policy shall be displayed in accordance with the following requirements:

1. The flag of the United States shall be displayed in accordance with 4 U.S.C. § 5-10;
2. The flag of the State of Texas shall be displayed in accordance with Chapter 3100, Texas Government Code;
3. Any other flag allowed by restrictive covenants applicable to the subdivision shall be appropriately displayed in a manner similar to the United States and/or Texas flag;
4. A flagpole attached to a dwelling (which may not exceed six feet (6') in length) or any freestanding flagpole shall be constructed of durable, long-lasting materials, with a finish appropriate to the materials and harmonious with the dwelling. The Association may establish reasonable rules which provide that a specified finish or finishes of a specified type or color shall be deemed to be allowed in all circumstances;
5. The display of any allowed flag and the location and construction of the associated flagpole must comply with any applicable zoning ordinances, easements and setbacks of record;
6. All displayed flags and the flagpole on which they are flown must be maintained in good condition and repair;
7. There may be no more than one flagpole per property upon which one or more allowed flags may be displayed;
8. The individual flags may not exceed 3 by 5 feet in size;
9. The single allowed flagpole shall not exceed twenty feet in height (if a freestanding flagpole) or six feet in length if the flagpole is attached to a dwelling and must be placed within 10' of the dwelling perimeter.

3.08.3. Applications for approval of the installation and display of all flags subject to this Policy shall be submitted to the ACC in the same manner as applications for approval of other Improvements within the subdivision.

3.08.4. An application which meets all of the requirements set out herein shall be deemed approved by the ACC forty (40) days from the date the Owner's application is received by the Association, unless the ACC notifies the Owner in writing within the forty (40) day period that additional information is required or that one or more standards have, in the opinion of the ACC, not been properly established in the application.

3.08.5. The ACC may deny an application for, or impose reasonable restrictions on, the installation and display of flags that do not meet one or more of the required standards. The ACC may impose reasonable additional restrictions on the placement or display of a flag in order to minimize any adverse impact on adjacent property owners, to abate noise caused by an external halyard and to regulate the size, location and intensity of any lights used to illuminate a displayed flag.

3.08.6. "Religious Item" shall mean an item, on the entry to the owner's or resident's dwelling, the display of which is motivated by the owner's or resident's sincere religious belief.

3.08.7. Applications for installation of any Religious Item shall be submitted to the ACC in the same manner as applications for approval of any other Improvement.

3.08.8. In considering applications for the installation and display of such items, the members of the ACC shall reasonably accept that all such applications are motivated by the sincere religious belief of the applicant.

3.08.9. The ACC may deny an application for approval which:

1. Threatens the public health or safety; or
2. Violates a law; or
3. Contains language, graphics, or any display that is patently offensive to a passerby of reasonable sensitivities; or
4. Is in a location other than the entry door or door frame or extends past the outer edge of the door frame of the owner's or resident's dwelling; or
5. Individually or in combination with other religious items displayed or to be displayed on the entry door or door frame has a total size of greater than twenty-five (25) square inches

3.08.10. An application for display of a Religious Item shall be deemed approved by the ACC forty (40) days from the date of the ACC's receipt of the Owner's application unless the ACC notifies the Owner in writing within the forty (40) day period that additional information is required or that one or more standards have, in the opinion of the ACC, not been established.

3.08.11. The ACC may deny an application for, or impose reasonable restrictions on, the installation of Religious Items that do not meet one or more of the required standards as stated in the Texas Property Code or threatens public safety, violates a law other than the display of religious speech, is offensive other than due to religious content, is installed in Common Areas or violates any applicable building line, right of way, easement or setback. All ACC findings shall be in writing.

3.09. Piers and Boat Houses. Owners of Waterfront Tracts adjacent to the Lake (Big Rock Lake) may erect Boat Docks/Piers into the Lake (Big Rock Lake), with the approval of the ACC. Boat Houses and Piers may not be used as habitable structure. The maximum size allowed for any structure is determined as follows: four (4) square feet of structure is allowed per linear foot of shoreline owned with the maximum size allowed for any structure being eight hundred (800) square feet in size. The area measurement shall exclude one walkway not to exceed four (4) feet wide from the shoreline to the structure. The distance the structure extends into the Lake (Big Rock Lake) shall not exceed fifty (50) feet from the average water level line of the Lake (Big Rock Lake). The maximum square footage may not be allowed in all cases. All materials touching water and structural framing shall be steel or treated wood or other approved material. All wooden material must be treated 2x6, synthetic deck board or approved equivalent. Walls: Factory coated metal, wood, cement fiberboard, or brick. Roof: Factory coated metal or composition shingles. All wiring shall be placed in conduit. Encapsulated foam floatation is required for floating structures. Potable water plumbing attached to conventional household fixtures including, but not limited to sinks, showers, bathtubs, laundry facilities, and toilets are prohibited. No part of an improvement can be closer than five (5) feet to the property line, excluding fences, sidewalks, and retaining walls. No structure may occupy more than one third (1/3) of any channel width and in no case shall any part of the structure come within ten feet of the centerline of the channel. Exceptions may be granted for structures located at the end of the channel. There will be no living quarters built over the Lake (Big Rock Lake). In order to protect a raised boat within a dock from the elements, solid sides on the dock will only be permitted for a maximum of two (2) feet downward from the roofline. No additional materials (i.e. lattice, fencing, bars, screen fabric, doors, glass, etc.) may be installed below the two (2) foot sidewall. A small storage area is allowed on the structure for tackle, life jackets, etc. A forty (40) square foot enclosure shall be considered maximum for any such storage area. No toilet facilities of any type will be allowed on structures.

The deck of a structure shall be no less than 18 inches above the normal pool level (Elevation 325') of the Lake (Big Rock Lake). The electrical services shall be installed in accordance with the National Electric Code as amended and revised. A complete electrical plan must be provided with the application. The Owner is required to have a licensed electrician, electrical inspector, or other professional with expertise in electrical installations to inspect all electrical components to ensure that the installation meets all requirements specified in the National Electric Code. All materials exposed to the elements shall be cedar, redwood, treated wood, concrete, or steel materials. Other materials with long life expectancy will be considered. No metal barrels may be used for floatation. Only extruded (closed cell) polystyrene or foam bead expanded polystyrene that is encased in a high-quality protective cover and that has been approved by the Association may be used for floatation. Creosote treated materials will not be permitted below the Lake (Big Rock Lake) level. All connections below the walkway shall be bolted with galvanized, zinc plated, cadmium plated, or stainless steel bolts. Steel materials may be welded. Other connections may be nailed or attached by screws. All construction activities disturbing the soil at or below the flood flowage boundary of the reservoir must employ erosion control practices to minimize the amount of sediment entering the reservoir. Steel pilings shall be a minimum of two and seven eighths inches (2 7/8) in diameter. Wood pilings must be pressure treated and at least six inches in diameter. Creosote pilings will not be allowed. The roof of the structure shall have a maximum of 4 x 12 pitch. A permit issued by the Association in no way releases the improvement owner from the responsibility of meeting the requirements of Federal, State, County, or City regulations or any Restrictions contained herein that may apply. No pier shall be more than one story and all piers must be maintained to the satisfaction of the Association. All piers and boathouses must be approved by the Big Rock Lake Property Owners Association, Inc. Architectural Control Committee (the "ACC") prior to any construction commencement.

Notwithstanding anything to the contrary, no boat ramp of any kind shall be located upon any Tract except as it applies to the Common Area for use by the Association, its members, permittees and invitees.

3.09.1. Reflectors and Piers and Docks. All piers and docks shall be equipped with 3" diameter, white, weather resistant plastic reflectors, mechanically fastened to the decking support joists, runners or pilings. They shall be designed for long life, spaced no greater than 20" apart each side of walkways and at each corner of the end structures.

3.10. Retaining Walls and Dredging. Owners of Tracts adjacent to the Lake (Big Rock Lake) may build a retaining wall along any body of water with the approval of the ACC. Retaining walls shall be constructed in a manner that improves the shoreline alignment. If an eroded area along the shoreline is approved by the Association to be reclaimed, then the backfill material must also be reclaimed from the Lake (Big Rock Lake). Approved materials for retaining walls or bulkheads or seawalls include concrete, soil cement, minimum 8-gauge steel sheet piling, PVC sheet piling, pressure treated lumber, and rip rap. Other materials with a long life expectancy will be considered. Creosote materials will not be approved. All dredging activity must be performed in such a manner that will maintain a gently sloping lake bottom and prevent the formation of holes or sudden drop-offs. All construction activities disturbing the soil at or below the flood flowage boundary of the Lake (Big Rock Lake) must employ erosion control practices to minimize the amount of sediment entering the Lake (Big Rock Lake). All dredging materials shall be placed in such a manner as to prevent any sediment runoff back into the Lake (Big Rock Lake). Containment and/or silt screens may be required. Retaining wall material must be pre-approved and appropriate for the shoreline location. Any building of retaining walls or dredging must be approved by the ACC prior to the commencement of any construction.

3.11. Prohibition of Offensive Activities. No activity, whether for profit or not, shall be conducted on any Tract which is not related to single family residential purposes, unless said activity meets the following criteria: (a) no additional exterior sign of activity is present, (b) no additional traffic that would not be there normally is created, (c) nothing dangerous is present and (d) the activity does not constitute a nuisance or annoyance. Nothing herein shall prevent a home office so long as the requirements of (a), (b), (c) and (d) above are met. Further, this restriction is waived in regard to the customary sales activities required to sell land or property in the Subdivision by the Developer. The Association shall have the sole and absolute discretion to determine what constitutes a nuisance or annoyance.

3.12. Garbage and Propane Storage. Garbage and trash or other refuse accumulated in this subdivision shall not be permitted to be dumped at any place upon adjoining land where a nuisance to any residence of this subdivision is or may be created. No Tract shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be allowed to accumulate, shall be kept in sanitary containers and shall be disposed of regularly. All equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition and out of sight from public roadways, except on pickup days. Propane tanks must not be visible from the road, and must be buried and/or screened with vegetation and/or privacy fencing as approved by the ACC.

3.13. Unightly Articles, Junked Motor Vehicles Prohibited. Except as set forth in Paragraph 3.06, no campers, recreational vehicles, boats, trailers, graders, trucks other than pickups, tractors, wagons, buses, motorcycles, motor scooters or garden maintenance equipment may be kept on property unless such items are placed in an approved enclosed structure and kept in a clean and tidy manner. No maintenance work shall be done on any of the foregoing, or on any automobile (other than minor emergency repairs), except in enclosed garages or other structures. No vehicle may be parked in excess of seventy-two (72) hours on any roadway within the Property.

No article deemed to be unsightly by the ACC shall be permitted to remain on any Tract. Service area, storage area, loading area, compost piles and facilities for hanging, drying or rinsing clothing or household fabrics shall be appropriately screened from view from public or private thoroughfares, the lake and adjacent properties and no lumber, grass, plant, waste, shrub or tree clippings, metals, bulk materials, scrap or refuse shall be kept, stored or allowed to accumulate on any portion of the Owner(s) Tract. No junk, abandoned or unregistered vehicles and no vehicles without current inspections shall be allowed on any Tract. Tractor trailer rigs and/or trailers and trucks with more than ten (10) wheels may not be parked or kept on the property or in the subdivision.

3.14. Signs. No signs, advertisements, billboards or advertising structures of any kind may be erected or maintained on any Tract without the consent in writing of the ACC. This sign prohibition does not apply to the Developer as Developer maintains the ability to place signs, advertisements, billboards and/or advertising structures within the Property at its discretion. The ACC shall allow one (1) professionally made sign not more than twenty-four inches (24") by thirty-six inches (36") advertising the Owner's Tract for sale or rent after a Dwelling or home has been built, and one (1) professionally made sign approved by the ACC, not more than twelve inches (12") by twenty-four inches (24") identifying the Tract owner's name or names. The term "professionally made sign" does not include store bought pre-made "for sale" or "for rent" signs. Notwithstanding, Builders and/or Contractors may place a sign that is approved by the ACC that does not exceed four feet (4') by eight feet (8') advertising a Dwelling or home constructed or under construction by the Builder and/or Contractor on a Tract. A Builder/Contractor sign shall be permitted to remain on the Tract where the Dwelling or home is constructed for as long as such Dwelling remains unsold to a third party; however, the sign shall be permitted during

construction. Except as it applies to Developer, no sign shall be nailed to a tree or placed within twenty-five (25) feet from any Lot line and all signs must be properly maintained. Developer or any member of the Association or ACC shall have the right to remove such sign, advertisement, billboard or structure which is placed on any Tract in violation of these restrictions, and in doing so, shall not be liable, and are hereby expressly relieved from any liability for trespass or other tort in connection therewith, or arising from such removal.

3.15. Animal Husbandry. For all Tracts within the subdivision, dogs must be kept in a kennel, dog run, or fenced in area that confines said dog(s) to that area within the Tract. Breeding or other for-profit dog operation shall not be permitted or allowed. Dogs will not be permitted to run loose in the community, and therefore, must be on a leash when outside of the boundary of the Owner(s) Tract(s). All dogs and cats must be vaccinated for rabies according to state law once a year and registered with Harrison County once a year. No livestock, swine, poultry or large animal of any kind may be kept, stored or raised on any Tract.

3.16. Mineral Development. Developer/Declarant does not own any minerals and will not convey any minerals in, on or under the Big Rock Lake subdivision as all minerals have previously been conveyed to third parties or reserved by third parties; however, the prior owner provided to the Developer a waiver of surface rights that was recorded at Document #2021-000004271, Official Public Records of Harrison County, Texas. A mineral owner has the right to remove its minerals and to use the surface estate for the removal of minerals where access to the surface exists for the mineral owner. The Waiver of Surface Rights from the prior owner of the Property that makes up the Big Rock Lake subdivision provides that access to the surface for the removal of oil, gas or other mineral drilling, mineral development operations, oil/gas refining, oil, gas or other mineral operation of any kind is prohibited. Rigs, derricks or other structures designed for the use of boring for or the extraction and gathering oil, natural gas or other minerals may not be erected, maintained, or used to extract minerals in areas where the surface waiver of the right of ingress and egress has been obtained. Declarant makes no representation regarding the specific rights of the ingress and egress associated with the development of the minerals under the Subdivision as such rights may be divided among several mineral owners. In the event of mineral development, the mineral owner or mineral lessee must comply with all rules, regulations, as well as for the Subdivision and provide reasonable accommodation to the surface estate owner, *i.e.* location from existing structures and surface damages. The recorded plat of Big Rock Lake does not and will not depict any accommodation for future mineral development.

3.17. Drainage. Natural or man-made established drainage patterns of streets, tracts or roadway ditches will not be impaired by any person or persons. No creeks, man-made or natural drainage areas may be filled, impacted, dammed, or water, therefore improved, diverted or used for any purpose without the prior written consent of the ACC. All Tract Owners must install driveway culverts and must be approved by Harrison County and/or by the ACC, when necessary, to be of sufficient size to afford proper drainage of ditches without backing water up into ditch or diverting flow. Drainage culverts must be installed prior to beginning any construction improvements and any vehicle accessing on to the tract. Installation must meet County requirements. Residential driveway culverts shall not extend more than fifteen (15) feet beyond the edge of the paved driveway with a minimum length of thirty (30) feet and a maximum length of fifty (50) feet. The Association and/or the ACC shall have the ability and power to remove all culverts that do not meet this requirement or that do not drain properly or have not been given specific variance due to a hardship reason for an extended length of culvert. In the event the Association or the ACC is required to remove the culvert, all costs and expense for such work shall be the responsibility of the Tract Owner. All areas designated as 100-year flood plain on the Plat are hereby dedicated as Drainage Easements.

3.18. Antennas. Antennas of any kind shall not exceed ten (10) feet above the roof of the dwelling or accessory building. No satellite dishes or similar apparatus shall be placed on any dwelling in such a way that apparatus is visible from the street. Ground satellite dishes shall not be erected, installed or placed on property without the prior written approval of the ACC and such dishes shall be screened from the view of the road. Nothing herein shall be constructed to conflict with the latest rules and regulations set forth by the Federal Communications Commission.

3.19. Solar Energy Devices. Pursuant to the provisions of the Texas Property Code §202.010, the purpose of this policy is to provide for the timely and efficient review by the Association of applications for installation of a "Solar Energy Device" ("SED") within the subdivision and to establish guidelines for review and approval of applications to ensure compliance with the provisions of state law. For the purpose of this Policy, "Solar Energy Device" shall mean a system or series of mechanisms designed primarily to provide heating or cooling or to produce electrical or mechanical power by collecting and transferring solar-generated energy. The term includes a mechanical or chemical device that has the ability to store solar-generated energy for use in heating or cooling or in the production of power.

3.19.1. Applications for installation of any Solar Energy Device shall be submitted to the ACC in the same manner as applications for approval of any other Improvement.

3.19.2. An application for an SED which meets all of the requirements set out below shall be deemed approved by the ACC forty (40) days from the date the Owner's application is received by the ACC, unless the ACC notifies the Owner in writing within the forty (40) day period that additional information is required or that one or more standards have, in the opinion of the ACC, not been properly established in the application.

3.19.3. If installed on the roof of the Owner's home, the SED, as installed

3.19.3.1. does not extend higher than or beyond the roofline,

3.19.3.2. conforms to the slope of the roof,

3.19.3.3. has a top edge that is parallel to the roofline, and

3.19.3.4. if such SED has a frame, support bracket, visible wiring or piping then the frame, support bracket, visible wiring or piping should be silver, bronze or black tone commonly available in the marketplace and is appropriate to the materials and harmonious with the dwelling. The SED is not required to have a frame, support, visible wiring or piping.

3.19.4. If installed in a fenced yard or patio owned and maintained by the Owner, the SED as installed may not exceed the height of a fence which meets applicable height requirements in the governing documents of the Association or restrictive covenants applicable to the subdivision.

3.19.5. The ACC reserves the right to require additional screening as necessary.

3.19.6. The ACC may deny an application for, or impose reasonable restrictions on, the installation of an SED that:

3.19.6.1. As adjudicated by a Court, threatens the public health or safety or violates a law;

3.19.6.2. is located on property owned or maintained by the Association;

3.19.6.3. is located on property owned in common by the members of the Association;

3.19.6.4. is located in an area on the Owner's property other than the roof of the home or in a fenced yard or patio owned and maintained by the Owner;

3.19.6.5. does not meet all requirements for installation of the SED on a roof or in a fenced yard or patio owned and maintained by the Owner as set out above;

3.19.6.6. was installed without prior approval of the ACC;

3.19.6.7. the ACC finds that placement of the SED as proposed will substantially interfere with the use and enjoyment of land by causing unreasonable discomfort or annoyance to persons of ordinary sensibilities. The finding may not be made if the written approval of the proposed placement of the device by all property owners of adjoining property is provided by the Owner/applicant.

3.20. Resubdivision. Except as it applies to the Developer or the Veterans Land Board, no tract shall be resubdivided or split unless otherwise permitted in these Restrictions. These Restrictions specifically allow the Declarant/Developer to divide, subdivide, realign and re-subdivide any unsold and platted tract in the Development as it deems necessary in its sole discretion for the continued development of the Subdivision until the Control Transfer Date. A lot or Tract may be combined into one or more composite Tract if that Tract will be combined with two or more adjoining lots or tracts to form larger resulting Tracts, see Paragraph 3.03.

3.21. Driveways. Driveways and culverts must be installed prior to any vehicular access and/or any construction improvements of the lot. The first One Hundred (100) feet of all driveways up to the garage must be surfaced with concrete, concrete pavers, asphalt, two (2) course chip and seal, or a combination thereof. Driveways must be surfaced when the new main residential dwelling is complete.

3.22. Timber, Landscaping, and Mowing. Four times each year, on dates determined by the Association, the Association MAY schedule days on which the Tract owner shall have mowed his Tract. If a Tract is not mowed within two weeks after that day, the Association may, at the Tract Owner's expense have the grass, weeds and cover on the Tract mowed or the Tract otherwise cleaned as often as in their sole discretion is deemed necessary. After construction has begun (reasonable construction and landscaping difficulties permitted and accepted during construction period), as well as after completion of Improvements, each Owner shall keep all shrubs, trees, grass and planting of every kind on such Owner's Tract cultivated, pruned, mowed and free of trash and other unsightly materials. Front, side and rear yards shall be planted, landscaped and maintained in such a manner as deemed acceptable by the Developer, or that Association. IF, in the opinion of the Developer or the Association, an Owner shall, at any time, fail to maintain his yard in a safe, clean and attractive condition, the Association shall give the Owner ten (10) days written notice thereof. In the event that Owner shall fail to remedy the objectionable matter, the Owner agrees, by virtue of having accepted these Restrictions upon the purchase of the Tract, hereby waiving any claim for damages, that Developer or Association may, without being deemed to have trespassed upon the Tract, enter upon such Tract and perform such maintenance. Thereafter, the Owner shall be liable for the cost of such work, which shall promptly be reimbursed to the Developer or the Association. All landscaping as approved in the plans and specifications shall be completed within twelve (12) months following the completion of the Residence.

No Tract owner shall cut or clear any trees which are ten (10) inches in diameter measured at four (4) feet from the ground, except the trees located in the area where the house and other improvements will be placed, without the written approval of the ACC. The ACC shall allow any Tract owner to clear the trees located on the area where the house and other improvements will be placed.

3.23. Hunting. No hunting is allowed in the subdivision; no discharge of handguns, rifles, shotguns or other firearms, pellet or air guns, bows or cross bows, or other weapons is permitted or allowed.

3.24. Existing Buildings. All improvements existing on the property on the date of the recording of these Restrictions shall be considered in compliance with these restrictions. However, all future building, demolition and all exterior alterations and additions must be approved by the ACC and must comply in all respects with all sections of these Restrictions, as written.

3.25. Aerobic Septic Systems – Sewer. All dwellings on lots or Tracts in the Subdivision shall be required to install a private sewage system. Aerobic Septic Systems are required. All sanitary plumbing must comply with the requirements of the Health Department of Harrison County and the State of Texas, the Texas Water Quality Board.

3.26. Burning. No open fires shall be allowed in the subdivision unless such fires comply with all rules, conditions and regulation of Harrison County.

3.27. Lake Rules and Regulations. The Tract owner shall comply with all Rules and Regulations adopted by the Association with regard to the Lake (Big Rock Lake).

3.28. Irrigation. Those Tracts adjacent to the Lake (Big Rock Lake) shall NOT be allowed to use the water from the Lake (Big Rock Lake) for irrigation.

3.29. Electrical Lines. All electrical services shall be installed in accordance with the National Electric Code as amended and revised. The Owner is required to have a licensed electrician, electrical inspector, or other professional with expertise in electrical installations to inspect all electrical components to ensure that the installation meets all requirements specified in the National Electric Code.

3.30. Vehicle Traffic. For the safety of all property owners, their families, guests, or other visitors, no one shall operate recklessly or exceed a speed limit of twenty-five (25) miles per hour while operating any motor vehicle within the Subdivision. All state and local laws regarding motor vehicle traffic will be enforced. Utility vehicles ("UTV") and golf carts are permitted to be operated within the Subdivision by licensed drivers.

3.31. Rainwater Collection Systems. "Rainwater Collection System" shall mean a system or series of mechanisms designed primarily to collect rainwater for subsequent use by the Owner on the Owner's property.

3.31.1. Applications. Applications for installation of any Rainwater Collection System shall be submitted to the ACC in the same manner as applications for approval of any other Improvement.

3.31.2. Review. The System shall be reviewed by the ACC within forty (40) days from the date of the ACC's receipt of the Owner's application unless the ACC notifies the Owner in writing within the forty (40) day period that additional information is required or that one or more standards have, in the opinion of the ACC, not been established.

3.31.3. The ACC may deny an application for, or impose reasonable restrictions on, the installation of a System that does not meet one or more of the required standards established by the Association. All ACC findings shall be in writing.

3.31.4. An Owner shall be entitled to submit an application to the Association seeking approval for the installation of a rain barrel or rainwater harvesting system. Any such system shall:

1. be of a color, finish and texture consistent, in the reasonable opinion of the ACC, with the color scheme of the property owner's home;
2. not display any language or other content that is not typically displayed on such barrel or system as it is manufactured;
3. shall not be located on property owned by the Association or on property owned in common by the members of the Association or located between the front of the property owners' home and an adjoining or adjacent street;
4. to the greatest extent reasonably possible, be located and/or shielded so as to minimize the visual impact of the installation on adjacent properties, lots and common areas which may be done by landscaping materials;
5. shall be constructed of a non-reflective material; and
6. shall not exceed eight feet (8') in height.

3.31.5. The Association may regulate the size, type and shielding of, and the materials used in the construction of, a rain barrel, rainwater harvesting device or other appurtenance that is located on the side of a house or at any other location that is visible from a street, another lot or a common area if:

1. the restriction does not prohibit the economic installation of the device or appurtenance on the owner's property; and
2. there is reasonably sufficient area on the owner's property in which to install the device or appurtenance.

The ACC may deny an application for, or impose reasonable restrictions on, the installation of a system which does not meet one or more of the foregoing standards.

3.32. Notice. In the event of the failure of Owner to comply with the above requirements after ten (10) days written notice thereof, the Association or their designated agents may, without liability to the Owner, Contractor or any occupants of the Tract in trespass or otherwise, enter upon (and/or authorize one or more others to enter upon) said Tract, and do any other thing necessary to secure compliance with this Declaration. Payment for the charges shall be payable on the first day of the next calendar month.

3.33. No Warranty of Enforceability. While Declarant has no reason to believe that any of the restrictive covenants of other terms and provisions contained in this Article III or elsewhere in this Declaration are or may be invalid or unenforceable for any reason or to any extent, Declarant makes no warranty or representation as to the present or future validity or enforceability of any such restrictive covenants, terms or provisions. Any Owner acquiring a Lot or Tract in reliance on one or more of such restrictive covenants, terms or provisions shall assume all risks of the validity and enforceability thereof and, by acquiring the Lot or Tract, agrees to hold Declarant harmless therefrom.

SECTION IV COMMON AREAS

4.01. Areas designated as "Common Areas" "Private Roads" "Private Streets" and/or "Reserves" on the recorded plat of the Subdivision are areas in which all members of the Association, who are in good-standing under the bylaws and regulations of the Association, may utilize and enjoy. The maintenance and upkeep of the Common Areas and Private Roads are the complete and total responsibility of the Association.

4.02. Easement. Developer reserves, and upon Control Transfer Date such is transferred to the Association, a Maintenance/Utility Easement, thirty (30) feet in width along the Property Line of the Subdivision, along with an Access Easement across any and all Tracts for ingress and egress to such Maintenance Easement.

4.03. Watercraft Motors. No above water exhaust shall be allowed on any watercraft used on the Lake (Big Rock Lake).

4.04. All other Common Area and easement regulation and restrictions contained herein are hereby incorporated herein by reference.

4.05. Owner's Right of Enjoyment. Every Owner shall have a beneficial interest of use and enjoyment in and to the Common Areas and such right shall be appurtenant to and shall pass with the title to every assessed Tract, subject to the following provisions:

4.05.1. The right of the Association, with respect to the Common Areas, to limit the number of guests of Owners.

4.05.2. The right of the Association, in accordance with its Articles and Bylaws (and until 100% of all tracts in the subdivision are sold or six (6) months thereafter, subject to the prior written approval of the Developer), to (i) borrow money for the purpose of improving and maintaining the Common Areas and facilities (including borrowing from the Developer or any entity affiliated with the Developer) and (ii) mortgage said property, however, the rights of such mortgagee of said property shall be subordinate to the rights of the Owners hereunder.

4.05.3. The right of the Association to suspend the Member's voting rights and the Member's and Member's Guests' right to use any recreational facilities within the Common Area, after notice and hearing by the Board of Directors, for the infraction or violation by such Member or Member's Guests of this Declaration or the Rules and Regulations, as hereinafter defined, which suspension shall continue for the duration of such infraction or violation, plus a period not to exceed sixty (60) days following the cessation or curing of such infraction or violation.

SECTION V ARCHITECTURAL CONTROL COMMITTEE

5.01. Basic Control.

5.01.1. No building or other improvements of any character shall be erected or placed, or the erection or placing thereof commenced or changes made in the design or exterior appearance thereof, or any addition or exterior alteration made thereto after original construction, or demolition or destruction by voluntary action made thereto after original constructed, on any Tract in the subdivision until the obtaining of the necessary approval (as hereinafter provided) from the ACC of the construction plans and specification for the construction or alteration of such improvements or demolition or destruction of existing improvements by voluntary action. Approval shall be granted or withheld based on matters of compliance with the provisions of this instrument and other rules and regulations instituted by the ACC.

5.01.2. Each application made to the ACC or to the Developer, shall be accompanied by the following: (i.) two (2) sets of professionally drawn plans and specifications for all proposed construction to be done on the Lot; (ii.) two (2) sets of site plans showing the location of the improvements, including driveways, walkways, boat houses, retaining walls and all other items or features relevant to architectural approval; and (iii.) an application deposit or bond in an amount to be determined by the ACC and provided to the Association for damages caused during construction. All house plans of the Dwelling or any secondary building must include square footage and the type

of exterior material to be used. One set of the professional drawn plans and specifications shall be retained by the ACC, for all proposed construction or future construction (initial or alteration) to be done on such Lot or Tract.

5.02. Architectural Control Committee.

5.02.1. The authority to grant or withhold architectural control approval as referred to above is initially vested in the Developer; provided, however, the authority of the Developer shall cease and terminate upon the appointment of the ACC of the Association in which event such authority shall be vested in and exercised by the ACC, hereinafter referred to, except as to plans and specifications and plot plans theretofore submitted to the Developer which shall continue to exercise such authority over all such plans, specifications and plot plans. The term "ACC" or "Committee," as used in this Declaration, shall mean or refer to the Developer or to Big Rock Lake Architectural Control Committee composed of members of the Association, as applicable.

5.02.2. Control Transfer Date. On or after such time as one hundred percent (100%) of all of the Tracts in all phases of the Subdivision, including those Tracts to be platted in all unplatted (whether annexed or declared to be annexed), as well as areas owned by Developer, are conveyed by the Developer to third parties or within six (6) months after 100% of the Tracts of the Subdivision have been transferred to third parties in the complete unfettered discretion of the Developer (from time to time hereafter referred to as the "Control Transfer Date"), the Developer shall cause an instrument transferring and assigning control to the Association to the Owners to be placed of record in the Official Public Records of Harrison County, Texas (the effective Control Transfer Date shall be the date of its recording). The first Board of Directors of the Association, which Board shall be appointed by developer and contain three (3) members, who shall serve staggered terms as follows: Secretary/Treasurer shall serve a one (1) year term; the Vice President shall serve a two (2) year term, and the President shall serve a three (3) year term following the Control Transfer Date for the purpose of continuity in the Board. From and after the Control Transfer Date, each member of the Board must be an Owner of Property in the Subdivision. Additionally, the Developer shall have the right to discontinue the exercise of architectural control privileges and arrange for the transfer to the Association at any time prior to the Control Transfer Date by filing a statement and instrument to that effect in the Official Public Records of Harrison County, Texas.

5.03. Effect of Inaction. Approval or disapproval as to architectural control matters, as set forth in the preceding provisions of this Declaration shall be in writing. In the event that the authority exercising the prerogative of approval or disapproval (whether the Developer or the ACC) fails to approve or disapprove in writing any plans and specifications and plot plans received by it in compliance with the preceding provisions within forty (40) days following such submissions, such plans and specifications and plot plan shall be deemed approved and the construction of any such building and other improvements may be commenced and proceeded with in compliance with all such plans and specifications and plot plan and all of the other terms and provisions hereof.

5.04. Effect of Approval. The granting of the aforesaid approval (whether in writing or by lapse of time) shall constitute only an expression of opinion by the ACC that the terms and provisions hereof shall be complied with if the building and/or other improvements are erected in accordance with said plans and specifications and plot plan; and such approval shall not constitute any nature of waiver or estoppel either as to the persons expressing such approval or any other person in the event that such building and/or improvements are not constructed in accordance with such plans and specifications and plot plan, but, nevertheless, fail to comply

with the provisions hereof. Further, no person exercising any prerogative of approval or disapproval shall incur any liability by reasons of the good faith exercise thereof.

5.04.1. The approval of house plans by the ACC means that the plans are in compliance with the applicable Sections found in these Declaration of Covenants, Conditions and Restrictions of the Subdivision, and any supplements or amendments to the Declaration of Covenants, Conditions and Restrictions and that such plans are in compliance with the Architectural Guidelines as set forth in the of Covenants, Conditions and Restrictions i.e. the location of the house is within the prescribed setbacks, square footage requirements, etc.

5.04.2. The ACC assumes no responsibility for the construction, the design or the structural integrity of the home to be constructed or for the type of residence constructed. The ACC does not review the building plans to determine anything other than the guidelines as set forth in the Covenants, Conditions and Restrictions.

5.04.3. It is the complete responsibility of the Tract Owner and/or the Home Builder to ensure structural reliability of the home, proper construction and proper design. It is highly recommended that the Owner determine the type of soil present on the Tract by conducting a Geotechnical Study (Soil Test) on the Tract prior to construction by a Professional Engineer. It is required that a licensed structural Professional Engineer licensed in the State of Texas design and seal the slab or foundation prior to construction. A licensed architect is recommended for the proper design and construction of a home. The approval supplied by the ACC is not a substitute for the use of qualified professionals to assist the Owner in the construction of a home.

5.05. Variance. The Developer or, if applicable, the ACC, may, on a case by case basis, authorize variances from compliance with any of the provisions of either (i) this Declaration, or (ii) the minimum acceptable construction standards or regulations and requirements as promulgated from time to time by the Developer or the ACC. Notwithstanding, after the Control Transfer Date, both the Developer and the ACC shall have the right to grant a variance from the Building setback line restrictions. Either party may grant this variance, as it determines in its sole discretion is needed, without the consent of the other. Such variances must be evidenced in writing and shall become effective when signed by the Developer or by at least a majority of the members of the ACC. All variances should be recorded in the Official Public Records of Harrison County, Texas. If any such variances are granted, no violation of the provisions of this Declaration shall be deemed to have occurred with respect to the matter for which the variance is granted; provided, however, that the granting of a variance shall not operate to waive any of the provisions of this Declaration for any purpose except as to the particular property and particular provisions hereof covered by the variance, nor shall the granting of any variance affect in any way the Owner's obligation to comply with all governmental laws and regulations affecting the property concerned and the Plat.

5.06. Indemnity. The Association shall indemnify every officer, director and Committee member against all damages, liability, and expenses, including attorneys' fees, reasonably incurred in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer, director, ACC member or committee member, except that such obligation to indemnify shall be limited to those actions for which liability is limited under this Section, the Articles of Incorporation and Texas law.

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

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

SECTION VI BIG ROCK LAKE PROPERTY OWNERS ASSOCIATION, INC.

6.01. Membership. Every person or entity who is a record owner of any Tract, which is subject to the Maintenance Charge (or could be following the withdrawal of an exemption therefrom) and other assessments provided herein, shall be a "Member" of the Association. The foregoing is not intended to include persons or entities that hold an interest merely as security for the performance of an obligation or those having only an interest in the mineral estate. No Owner shall have more than one (1) membership for each Tract owned by such Member. Membership shall be appurtenant to and may not be separated from the ownership of the Tracts. Regardless of the number of persons who may own a Tract (such as husband and wife, or joint tenants, etc.) there shall be but one (1) membership for each Tract. Additionally, the Directors of the Association must be Members of the Association (as more particularly described in the By-laws). Ownership of the Tracts shall be the sole qualification for membership. These restrictive covenants will not be construed as to assess the Veterans Land Board or the State of Texas. Any assessments are the personal obligation of the Veteran Land Board Purchaser, his successors, heirs and assigns. Any lien imposed by the restrictive covenants does not affect the Veterans Land Board's interest in the Tract or Lot.

6.02. Voting Rights. Notwithstanding anything herein to the contrary, Developer shall have and exercise sole control over the Association until such time as Developer shall have transferred control to the Association in accordance with Paragraph 5.02.2. Thereafter, each member shall be entitled to one vote for each Tract owned. When more than one (1) person holds an interest in any Tract, all such persons shall be members of the Association but the vote for such Tract shall be exercised as they among themselves determine. In no event shall more than one (1) vote be cast with respect to any Tract.

6.03. Non-Profit Corporation. The Big Rock Lake Property Owners Association, Inc. a non-profit corporation, has been organized and it shall be governed by the Articles of Incorporation and Bylaws of said Association; and all duties, obligations, benefits, liens and rights hereunder in favor of the Association shall vest in said corporation.

6.04. Bylaws. The Association has adopted or may adopt whatever Bylaws it may choose to govern the organization or operation of the subdivision and the use and enjoyment of the Tracts and Common Areas, provided that the same are not in conflict with the terms and provisions hereof.

SECTION VII MAINTENANCE FUND

7.01. Maintenance Fund Obligation. Each owner of a Tract by acceptance of the deed to the Property within Big Rock Lake, whether or not shall be expressed in any such deed or other conveyance, is deemed to covenant and hereby agrees to pay to the Association an annual maintenance charge that is initially set by the Developer/Declarant and shall be a specific dollar

amount assessed per Tract owned and shall never be based on a percentage of valuation of the Tract (the "Maintenance Charge"), and any other assessments or charges hereby levied. The Maintenance Charge and any other assessments or charges hereby levied, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the Tracts and shall be a continuing lien upon the property against which each such Maintenance Charge and other charges and assessments are made.

7.02. Basis of the Maintenance Charge.

7.02.1. The Maintenance Charge referred to shall be used to create a fund to be known as the "Maintenance Fund", which shall be used as herein provided; and each such Maintenance Charge (except as otherwise hereinafter provided) shall be paid by the Owner of each Tract (or residential building site) to the Association. The Maintenance Charge for the year of purchase shall be pro-rated at closing and then shall be paid annually, in advance, on or before the first day of the first month of each calendar year. Provided, however if such owner owns more than one tract in the subdivision, such Owner shall pay only twice the assessment of one (1) tract no matter how many tracts are owned or in the event Owner obtains consent from the ACC for a Composite Building Site pursuant to Paragraph 3.03 hereof and replats two or more Tracts into one Composite Building Site, such Composite Building Site shall be considered for the Maintenance Charge as one Tract upon the recording of the replat.

7.02.2. Any Maintenance Charge not paid within thirty (30) days after the due date shall bear interest from the due date at the lesser of (i) the rate of eighteen percent (18%) per annum or (ii) the maximum rate permitted by law. The Association may bring an action at law against the owner personally obligated to pay the same, or foreclose the hereinafter described lien against the owner's tract. No owner may waive or otherwise escape liability for the Maintenance Charge by non-use of any Common Areas or recreational facilities available for use by owners of the subdivision or by the abandonment of his Tract.

7.02.3. The initial amount of the Maintenance Charge applicable to each Tract will be determined by the Developer. All other matters relating to the Maintenance Charge and the collection, expenditures and administration of the Maintenance Fund shall be determined by the Developer or the Board of Directors of the Association, subject to the provisions hereof.

7.02.4. The Association, from and after the Control Transfer Date, shall have the further right at any time, with a two-thirds vote of all association members to adjust or alter said Maintenance Charge from year to year as it deems proper to meet the reasonable operating expenses and reserve requirements of the Association in order for the Association to carry out its duties hereunder.

7.02.5. In addition to the Maintenance Charge, the Association may levy one-time Special Assessments from time to time to cover specific unbudgeted expenses or specific expenses in excess of those budgeted. Any such Special Assessment must be approved by a unanimous Board approval and may be levied against all Tracts and may be enforced in the same manner as the Maintenance Charge.

7.03. Creation of Lien and Personal Obligation. In order to secure the payment of the Maintenance Charge, and other charges and assessments hereby levied, each Owner of a Tract in the subdivision, by such party's acceptance of a deed thereto, hereby grants to the Association a contractual lien on such Tract which may be foreclosed on by non-judicial foreclosure and pursuant to the provisions of Chapters 51 and 209 of the Texas Property Code (and any successor statute); and each such owner hereby expressly grants the Association a power of sale in connection therewith. The Association shall, whenever it proceeds with non-judicial foreclosure

pursuant to the provisions of said Chapters 51 and 209 of the Texas Property Code and said power of sale, designate in writing a Trustee to post or cause to be posted all required notices of such foreclosure sale and to conduct such foreclosure sale. The Trustee may be changed at any time and from time to time by the Association by means of written instrument executed by the President or any Vice-President of the Association and filed for record in the Official Public Records of Harrison County, Texas. In the event that the Association has determined to non-judicially foreclose the lien provided herein pursuant to the provisions of said Chapters 51 and 209 of the Texas Property Code and to exercise the power of sale hereby granted, the Association, or the Association's agent, shall give notice of foreclosure sale as provided by the Texas Property Code as then amended. Upon request by Association, Trustee shall give any further notice of foreclosure sale as may be required by the Texas Property Code as then amended, and shall convey such Tract to the highest bidder for cash by a Trustee's Deed. Out of the proceeds of such sale, if any, there shall first be paid all expenses incurred by the Association in connection with such default, including reasonable attorney's fees and a reasonable trustee's fee; second, from such proceeds there shall be paid to the Association an amount equal to the amount in default; and third, the remaining balance shall be paid to such Owner.

Following any such foreclosure, each occupant of any such Tract foreclosed on and each occupant of any improvements thereon shall be deemed to be a tenant at sufferance and may be removed from possession by any and all lawful means, including a judgment for possession in an action of forcible detainer and the issuance of a writ of restitution thereunder.

In the event of non-payment by any Owner of any Maintenance Charge or other charge or assessment levied hereunder, the Association may, in addition to foreclosing the lien hereby retained, and exercising the remedies provided herein, upon ten (10) days prior written notice thereof to such nonpaying Owner, exercise all other rights and remedies available at law or in equity.

It is the intent of the provisions of this Paragraph 7.03 to comply with the provisions of said Chapters 51 and 209 of the Texas Property Code relating to non-judicial sales by power of sale and, in the event of the amendment of said Chapters 51 and 209 of the Texas Property code hereafter, the President or any Vice-President of the Association, acting without joinder of any other Owner or mortgagee or other person may, by amendment to this Declaration filed in the Official Public Records of Harrison County, Texas, amend the provisions hereof so as to comply with said amendments to Chapters 51 and 209 of the Texas Property Code.

7.04. Notice of Lien. In addition to the right of the Association to enforce the Maintenance Charge or other charge or assessment levied hereunder, the Association may file a claim or lien against the Tract of the delinquent Owner by recording a notice ("Notice of Lien") setting forth (a) the amount of the claim of delinquency, (b) the interest thereon, (c) the costs of collection which have accrued thereon, (d) the legal description and street address of the Tract against which the lien is claimed and (e) the name of the Owner thereof. Such Notice of Lien shall be signed and acknowledged by an officer of the Association or other duly authorized agent of the Association. The lien shall continue until the amounts secured thereby and all subsequently accruing amounts are fully paid or otherwise satisfied. When all amounts claimed under the Notice of Lien and all other costs and assessments which may have accrued subsequent to the filing of the Notice of Lien have been fully paid or satisfied, the Association shall execute and record a notice releasing the lien upon payment by the Owner of a reasonable fee as fixed by the Board of Directors to cover the preparation and recordation of such release of lien instrument.

7.05. Liens Subordinate to Mortgages. The lien described in Paragraph 7.03 hereof shall be deemed subordinate to a first lien granted by Developer on the Property or any part thereof to any lender and to each and every lien of Developer, any bank, insurance company, savings

and loan association, university, pension and profit sharing trust or plans, or any other third party lender, which may have heretofore or may hereafter lend money or extended credit in good faith for the acquisition or improvement of the Property or any part thereof, including without limitation, any one or more Tract(s), and any renewal, extension, rearrangement or refinancing of such acquisition or improvement costs. The lien described in Paragraph 7.03 hereof shall further be deemed subordinate to any home equity loan. Each such lienholder who obtains title to any portion of the Property encumbered by its lien pursuant to the remedies provided in the deed of trust or mortgage granting the lien or by judicial foreclosure of the lien shall take title to said Property free and clear of any claims for unpaid Maintenance Charges or other charges of assessments against such Property which accrued prior to the time such holder acquired title to such Property. No such sale or transfer shall relieve such holder from liability for any Maintenance Charge or other charges or assessments accruing thereafter or from the lien described in Paragraph 7.03 hereof on account thereof. Any other sale or transfer of the Property shall not affect the Association's lien for Maintenance Charges or other charges or assessments. The Association shall make a good faith effort to give each such lienholder having a lien on any portion of the Property to be foreclosed sixty (60) days advance written notice of the Association's proposed foreclosure of the lien described in Paragraph 7.03 hereof, which notice shall be sent to the nearest office of such mortgagee by prepaid United States registered or Certified mail, return receipt requested, and shall contain a statement of delinquent Maintenance Charges or other charges or assessments upon which the proposed action is based, provided, however, the Association's failure to give such notice shall not invalidate any foreclosure conducted by the Association pursuant to the provisions of this Section VII.

7.06. Purpose of the Maintenance Charges. The maintenance charge levied by the Developer or the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the Owners of the subdivision which hereafter may become subject to the jurisdiction of the Association. In particular, the Maintenance Charge shall be used for any improvement or services in furtherance of these purposes and the performance of the Association's duties described in Section IX, including the maintenance of any Common Areas, Private Streets, Private Roads, Entrance Gates, any Drainage Easements and the establishment and maintenance of a reserve fund for maintenance of any Common Areas and Private Roads. The Maintenance Fund may be expended by the Developer or the Association for any purposes which, in the judgment of the Association, will tend to maintain the property values in the subdivision, including, but not limited to, providing funds for the actual cost to the Association of all taxes, insurance, repairs, energy charges, replacement and maintenance of the Common Areas and roads as may from time to time be authorized by the Association. Except for the Association's use of the Maintenance Charge to perform its duties described in this Declaration and in the Bylaws, the use of the Maintenance Charge for any of these purposes is permissive and not mandatory. It is understood that the judgment of the Association as to the expenditure of said funds shall be final and conclusive so long as such judgment is exercised in good faith.

7.07. Handling of Maintenance Charges. The collection and management of the Maintenance Charge or other charge or assessment levied hereunder, shall be performed by the Developer, or management Company hired for the Association by Developer, until the Control Transfer Date, at which time the Developer shall deliver to the Association all funds on hand together with all books and records of receipt and disbursements. The Developer and, upon transfer, the Association, shall maintain separate special accounts for these funds, and Owners shall be provided at least annually information on the Maintenance Fund.

7.08. Exempt Property. The following property shall be exempt from the Maintenance Charge and all other charges and assessments created herein:

- 7.08.1. All properties dedicated to and accepted by a local public authority;
and
7.08.2. All Common Areas and Roadways (both Private and public); and
7.08.3. All properties owned by a charitable or nonprofit organization exempt
from taxation by the laws of the State of Texas; and
7.08.4. All Property and Tracts owned by Developer, which includes Tracts
sold by the Developer and then returned to Developer through foreclosure or deed.

SECTION VIII DEVELOPER'S RIGHTS AND RESERVATIONS

8.01. Period of Developer's Rights and Reservations. Developer shall have, retain and reserve certain rights as set forth in this declaration with respect to the Association and the Common Area from the date hereof, until the earlier to occur of (i) the Control Transfer Date or (ii) Developer's written notice to the Association of Developer's termination of the rights described in Section VI hereof. The rights and reservations hereinafter set forth shall be deemed accepted and reserved in each conveyance of a Tract by Developer to an Owner whether or not specifically stated therein and in each deed or other instrument by which any property within the Common Area is conveyed by Developer. The rights, reservations and easements hereafter set forth shall be prior and superior to any other provisions of this Declaration and may not, without Developer's prior written consent, be modified, amended, rescinded or affected by any amendment of this Declaration. Developer's consent to any one such amendment shall not be construed as consent to any other or subsequent amendment.

8.02. Right to Construct Additional Improvements in Common Area. Developer shall have and hereby reserves the right (without the consent of any other Owner), but shall not be obligated to construct additional improvements within the Common Area at any time and from time to time in accordance with this Declaration for the improvement and enhancement thereof and for the benefit of the Association and Owners, so long as such construction does not directly result in the increase of such Maintenance Charge. Developer shall, on or before the Control Transfer Date, convey or transfer such improvements to the Association and the Association shall be obligated to accept title to care for and maintain the same as elsewhere provided in this Declaration.

8.03. Developer's Rights to Use Common Areas in Promotion and Marketing of the Property. Developer shall have and hereby reserves the right to use of the Common Area and of services offered by the Association in connection with the promotion and marketing of land within the boundaries of the Property. Without limiting the generality of the foregoing, Developer may erect and maintain on any part of the Common Area such signs, temporary buildings and other structures as Developer may reasonably deem necessary or proper in connection with the promotion, development and marketing of land within the Property; may use vehicles and equipment within the Common Area for promotional purposes; and may permit prospective purchasers of property within the boundaries of the Property, who are not Owners or Members of the Association, to use the Common Area at reasonable times and in reasonable numbers; and may refer to the services offered by the Association in connection with the development, promotion and marketing of the property.

8.04. Developer's Rights to Grant and Create Easements. Developer shall have and hereby reserves the right, without the consent of any other Owners or the Association, to grant or create temporary or permanent easements, for access, utilities, pipeline easement, cable television systems, communication and security systems, drainage, water and other purposes incidental to development, sale, operation and maintenance of the Subdivision, located in, on, under, over and across (i) the Tracts or other property owned by Developer, (ii) the Common Area, and (iii) existing Utility Easements. Developer also reserves the right, without the consent

of any other Owner or the Association, to grant or create temporary or permanent easements for access over and across the streets and roads within the subdivision, and for any other such reason as the Developer deems necessary in its own discretion, to promote and develop the Subdivision.

8.05. Developer's Rights to Convey Additional Common Area to the Association. Developer shall have and hereby reserves the right, but shall not be obligated to, convey additional real property and improvements thereon, if any, to the Association as Common Area at any time and from time to time in accordance with this Declaration, without the consent of any other Owner or the Association.

8.06. Annexation of Annexable Area. Additional property outside of the subdivision, may, at any time and from time to time, be annexed by Developer into the real property which becomes subject to the jurisdiction and benefit of the Association, without the consent of the Owners or any other party, and such property located within a five (5) mile radius of the perimeter boundary of the land described on the Plat of Big Rock Lake as may be amended or supplemented.

SECTION IX DUTIES AND POWERS OF THE ASSOCIATION

9.01. General Duties and Powers of the Association. The Association has been formed to further the common interest of the Members. The Association, acting through the Board of Directors or through persons to whom the Board of Directors has delegated such powers (and subject to the provisions of the Bylaws), shall have the duties and powers hereinafter set forth and, in general, the power to do anything that may be necessary or desirable to further the common interest of the members, to maintain, improve and enhance the Common Areas, Private Roads or Private Streets and to improve and enhance the attractiveness, desirability and safety of the Subdivision. The Association shall have the authority to act as the agent to enter into any and all contracts on behalf of the Members in order to carry out the duties, powers and obligations of the Association as set forth in this Declaration.

9.02. Duty to Accept the Property and Facilities Transferred by Developer. The Association shall accept title to any property, Common Areas, Private Roads, Private Streets, easements including any and all improvements thereon and personal property transferred to the Association by Developer, and equipment related thereto, together with the responsibility to perform any and all administrative functions and recreation functions associated therewith (collectively herein referred to as "Functions"), provided that such property and Functions are not inconsistent with the terms of this Declaration. Property interests transferred to the Association by Developer may include fee simple title, easements, leasehold interests and licenses to use such property. Any property or interest in property transferred to the Association by Developer shall, except to the extent otherwise specifically approved by resolution of the Board of Directors, be transferred to the Association free and clear of all liens and mortgages (other than the lien for property taxes and assessments not then due and payable), but shall be subject to the terms of this Declaration, the terms of any declaration of covenants, conditions and restrictions annexing such property to the Common Area, and all easements, covenants, conditions, restrictions and equitable servitude or other encumbrances which do not materially affect the Owners authorized to use such property. Except as otherwise specifically approved by resolution of the Board of Directors, no property or interest in property transferred to the Association by the Developer shall impose upon the Association any obligation to make monetary payments to Developer or any affiliate of Developer including, but not limited to, any purchase price, rent, charge or fee.

9.03. Duty to Manage and Care for the Common Area and Private Roads. The Association shall manage, operate, care for, maintain and repair all Common Areas, Private

Roads and entrances and keep the same in a safe, attractive and desirable condition for the use and enjoyment of the Members. Further, the Association shall pay for electrical services and for all other costs and expenses necessary to operate and maintain any lighting within street right-of-ways, Private Roads or Private Streets and Common Areas.

9.04. Other Insurance Bonds. The Association shall maintain a general liability insurance policy covering all common areas in an amount determined adequate by the Board of Directors. The Association shall obtain such other insurance as may be required by law, including worker's compensation insurance, and shall have the power to obtain such other insurance and such fidelity, indemnity or other bonds as the Association shall deem necessary or desirable.

9.05. Duty to Prepare Budgets. The Association shall prepare budgets for the Association, which budgets shall include a reserve fund for the maintenance of all Common Areas, Private Roads or Private Streets and drainage easements.

9.06. Duty to Levy and Collect the Maintenance Charge. The Association shall levy, collect and enforce the Maintenance Charge and other charges and assessments as elsewhere provided in this Declaration.

9.07. Duty to Provide Annual Review. The Association shall provide for an annual unaudited independent review of the accounts of the Association. Copies of the review shall be made available to any Member who requests a copy of the same upon payment by such Member of the reasonable cost of copying the same.

9.08. Duties with Respect to Architectural Approvals. The Association shall perform functions to assist the ACC as elsewhere provided in Section V of this Declaration.

9.09. Power to Acquire Property and Construct Improvements. The Association may acquire property or an interest in property (including leases) for the common benefit of Owners including improvements and personal property. The Association may construct improvements on the Property and may demolish existing improvements.

9.10. Power to Adopt Rules and Regulations. The Association may adopt, amend, repeal and enforce rules and regulations ("Rules and Regulations"), fines, levies and enforcement provisions as may be deemed necessary or desirable with respect to the interpretation and implementation of this Declaration, the operation of the Association, the use and enjoyment of the Common Areas, and the use of any other property, facilities or improvements owned or operated by the Association.

9.11. Power to Enforce Restrictions and Rules and Regulations. The Association (and any Owner with respect only to the remedies described in (ii) below) shall have the power to enforce the provisions of this Declaration and the Rules and Regulations and shall take such action as the Board of Directors deems necessary or desirable to cause such compliance by each Member and each Member's Guests. Without limiting the generality of the foregoing, the Association shall have the power to enforce the provisions of this Declaration and of Rules and Regulations of the Association by any one or more of the following means: (i) By entry upon any property within the subdivision after notice and hearing (unless a bona fide emergency exists in which event this right of entry may be exercised without notice (written or oral) to the Owner in such manner as to avoid any unreasonable or unnecessary interference with the lawful possession, use or enjoyment of the improvements situated thereon by the Owner or any other person), without liability by the Association to the Owner thereof, for the purpose of enforcement of this Declaration or the Rules and Regulations; (ii) by commencing and maintaining actions and suits to restrain and enjoin any breach or threatened breach of the provisions of this Declaration or the Rules and Regulations; (iii) by exclusion, after notice and hearing, of any

Member of Member's Guests from use of any recreational facilities within the Common Areas during and for up to sixty (60) days following any breach of this Declaration or such Rules and Regulations by such Member or any Member's Guests, unless the breach is a continuing breach in which case exclusion shall continue for so long as such breach continues; (iv) by suspension, after notice and hearing, of the voting rights of a Member during and for up to sixty (60) days following any breach by such Member or a Member's Guests of a provision of this Declaration or such Rules and Regulations, unless the breach is a continuing breach in which case such suspension shall continue for so long as such breach continues; (v) by levying and collecting, after notice and hearing, an assessment against any Member for breach of this Declaration or such Rules and Regulations by such Member or a Member's Guests which assessment reimbursed the Association for the costs incurred by the Association in connection with such breach; (vi) by levying and collecting, after notice and hearing, reasonable and uniformly applied fines and penalties, established in advance in the Rules and Regulations of the Association, from any Member or Member's Guests for breach of this Declaration or such Rules and Regulations by such Member or a Member's Guests; and (vii) by taking action itself to cure or abate such violation and to charge the expenses thereof, if any, to such violating Members, plus attorney's fees incurred by the Association with respect to exercising such remedy.

Before the Board may invoke the remedies provided above, it shall give registered notice of such alleged violation to Owner, and shall afford the Owner a hearing. If, after the hearing, a violation is found to exist, the Board's right to proceed with the listed remedies shall become absolute. Each day a violation continues shall be deemed a separate violation. Failure of the Association, the Developer, or of any Owner to take any action upon any breach or default with respect to any of the foregoing violations shall not be deemed a waiver of their right to take enforcement action thereafter or upon a subsequent breach or default.

9.12. Power to Grant Easements. In addition to any blanket easements described in this Declaration, the Association shall have the power to grant access, utility, drainage, water facility and other such easements in, on, over or under the Common Area.

SECTION X GENERAL PROVISIONS

10.01. Term. The provisions hereof shall run with all property in Big Rock Lake and shall be binding upon all Owners and all persons claiming under them for a period of forty (40) years from the date this Declaration is recorded, after which time said Declaration shall be automatically extended for successive periods of ten (10) years each, unless an instrument, signed by Owners of not less than seventy-five percent (75%) of the total Lots within the Subdivision and by the Developer has been recorded agreeing to amend or change, in whole or in part, this Declaration.

10.02. Annexation by Developer. Until five (5) years after the recording of this Declaration in the Public Records of Harrison County, Texas, Developer may from time to time unilaterally subject to the provisions of this Declaration all or any portion of the Additional Property. The Developer may transfer or assign this right to annex property, provided that the transferee or assignee is the developer of at least a portion of the real property described on the Plat or any amendment or supplement thereto, and that such transfer is memorialized in a written, recorded instrument executed by Developer.

Such annexation shall be accomplished by filing a Supplemental Declaration in the Public Records of Harrison County, Texas describing the property being annexed. Such Supplemental Declaration shall not require the consent of Members, but shall require the consent of the owner of such property, if other than Developer. Any such annexation shall be effective upon the filing for record of such Supplemental Declaration unless otherwise provided therein.

Nothing in this Declaration shall be construed to require the Developer or any successor to annex or develop any of the Additional Property in any manner whatsoever.

10.03. Withdrawal of Property. The Developer reserves the right to amend this Declaration at any time prior to the Control Transfer Date, for the purpose of removing any portion of the Properties from the coverage of this Declaration. Such amendment shall not require the consent of any Person other than the Owner of the property to be withdrawn, if not the Developer. If the property is Common Area or a Reserve area, the Association shall consent to such withdrawal.

10.04. Additional Covenants and Easements. The Developer may unilaterally subject any portion of the Properties to additional covenants and easements, including covenants obligating the Association to maintain and insure such property on behalf of the Owners and obligating such Owners to pay the costs incurred by the Association through assessments. Such additional covenants and easements shall be set forth in a Supplemental Declaration filed either concurrently with or after the annexation of the subject property, and shall require the written consent of the owner(s) of such property, if other than the Developer. Any such Supplemental Declaration may supplement, create exceptions to, or otherwise modify the terms of this Declaration as it applies to the subject property in order to reflect the different character and intended use of such property.

10.05. Termination. Unless otherwise provided by Texas law, in which case such law shall control, this Declaration may not be terminated within forty (40) years of the date of recording without the consent of all Owners. Thereafter, it may be terminated only by an instrument signed by Owners of at least seventy-five percent (75%) of the total Lots within the Properties and by the Developer, if the Developer owns any portion of the Properties, which instrument is recorded in the Public Records of Harrison County, Texas. Nothing in this Section shall be construed to permit termination of any easement created in this Declaration without the consent of the holder of such easement.

10.06. Amendments. This Declaration may be amended or changed, in whole or in part, at any time by the written agreement or by signed ballots voting for such amendment, of not less than two-thirds (2/3rds) of all of the Owners (including Developer) of the subdivision. There shall be one vote per Tract. Anyone owning more than one Tract shall have one (1) vote for each Tract owned. The date an Owner's signature is acknowledged shall constitute prima facia evidence of the date of execution of said amendment by such Owner. Any such amendment shall become effective when an instrument is filed for record in the Official Public Records of Harrison County, Texas, accompanied by a certificate, signed by a majority of the Board of Trustees, stating that the required number of Members (Owners, including the Developer) executed the instrument amending this Declaration or cast a written vote, in person or by proxy, in favor of said amendment at the meeting called for such purpose. Copies of the written ballots pertaining to such amendment shall be retained by the Association for a period of not less than three (3) years after the date of filing of the amendment or termination. The Owners shall not amend this Declaration in such a manner as to increase the priority of the Association's lien for the Maintenance Charge or any other charge or assessment as against any lienholder, without the affirmative unanimous vote to do so of all Owners and lienholders directly affected thereby. Furthermore, no amendment to this Declaration which adversely affects the rights or security interests of any holder of a lien to which the lien described in Paragraph 7.03 hereof has been subordinated pursuant to Paragraph 7.05 hereof shall become effective unless and until approved, in writing, by such lienholder. No amendment to this Declaration which adversely affects the rights and privileges of Developer shall become effective unless and until approved, in writing, by Developer and any Mortgagee of Record which is a lender to Developer.

10.07. Amendments by the Developer. The Developer, and only the Developer, shall have and reserves the right at any time and from time to time prior to the Control Transfer Date, without the joinder or consent of the Association, the ACC, any Owner or other party, to amend this Declaration by an instrument in writing duly signed, acknowledged, and filed for record for any purpose that Declarant so desires. Additionally, Developer shall have and reserves the right at any time and from time to time prior to the Control Transfer Date, without the joinder or consent of any Owner or other party, to amend this Declaration by an instrument in writing duly signed, acknowledged and filed for record for the purpose of permitting the Owners to enjoy the benefits from technological advances, such as security, communications or energy-related devices or equipment which did not exist or were not in common use in residential communities at the time this Declaration was adopted. Likewise, the Developer shall have and reserves the right at any time and from time to time prior to the Control Transfer Date, without the joinder or consent of any Owner or other party, to amend this Declaration by an instrument in writing duly signed, acknowledged and filed for record for the purpose of prohibiting the use of any device or apparatus developed and/or available for residential or commercial use following the date of this Declaration if the use of such device or apparatus will adversely affect the Association or will adversely affect the property values within the subdivision.

10.08. Severability. Each of the provisions of this Declaration shall be deemed independent and severable and the invalidity of un-enforceability or partial invalidity or partial unenforceability of any provision or portion hereof shall not affect the validity or enforceability of any other provision.

10.09. Liberal Interpretation. The provisions of this Declaration shall be liberally construed as a whole to effectuate the purpose of this Declaration.

10.10. Successors and Assigns. The provisions hereof shall be binding upon and inure to the benefit of the Owners, the Developer and the Association, and their respective heirs, legal representatives, executors, administrators, successors and assigns.

10.11. Effect of Violations on Mortgages. No violation of the provisions herein contained, or any portion thereof, shall affect the lien of any mortgage or deed of trust presently or hereafter placed of record or otherwise affect the rights of the mortgagee under any such mortgage, the holder of any such lien or beneficiary of any such deed of trust; and any such mortgage, lien or deed of trust may, nevertheless, be enforced in accordance with its terms, subject, nevertheless, to the provisions herein contained.

10.12. Terminology. All personal pronouns used in this Declaration, whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural and vice versa. Title of Sections and Paragraphs are for convenience only and neither limit nor amplify the provisions of this Declaration itself. The terms "herein," "hereof" and similar terms, as used in this instrument, refer to the entire agreement and are not limited to referring only to the specific paragraph, section or article in which such terms appear.

IN WITNESS WHEREOF, the undersigned, being the Developer herein, has hereunto set its hand of this 22 day of August, 2021, but effective as of August 3, 2021.

TEXAS LAND & LAKES, LLC, a Texas limited liability company

By: _____

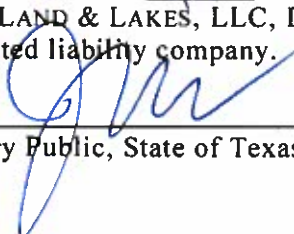
Marcus Smith, President

ACKNOWLEDGMENT

STATE OF TEXAS §

COUNTY OF Dallas §

This instrument was acknowledged before me on the 22 day of August, 2021, by MARCUS SMITH, President of TEXAS LAND & LAKES, LLC, Developer/Declarant in the capacity therein stated, on behalf of said Limited liability company.



Notary Public, State of Texas

