

AFTER RECORDING RETURN TO:
Michael H. Patterson
2310 West Interstate 20, Suite 100
Arlington, Texas 76017

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
FRONTIER SHORES**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR FRONTIER SHORES (the "Declaration") is made and entered into by FRONTIER SHORES DEVELOPMENT, LLC (the "Declarant").

WITNESSETH:

WHEREAS, Declarant is the owner of the following real property situated in Palo Pinto County, Texas (the "Property"), to wit:

The real property being 14.437 acres situated in Palo Pinto County, Texas, and more particularly described on Exhibit A attached hereto and made a part hereof (the "Property")

WHEREAS, Declarant desires to develop and create on the Property the residential community known as FRONTIER SHORES with residences, landscaped areas, and other common facilities for the benefit of the community (collectively, the "Project");

WHEREAS, Declarant desires to provide for the preservation of said Project and the maintenance of certain portions thereof, including, without limitation, streets, fences, gates, security cameras, landscaped and all other common facilities appurtenant to the Project, and, to this end, desires to impose upon the Property the covenants, conditions, restrictions, easements, charges, liens, uses and limitations hereinafter set forth (sometimes referred to collectively as the "Covenants, Conditions and Restrictions" or "Declaration"), each and all of which is and are for the benefit of said Property and each respective owner thereof;

WHEREAS, Declarant has deemed it desirable for the Project to create a homeowner's association to administer and enforce the Covenants, Conditions, and Restrictions, and collect and disburse the assessments and charges hereinafter created; and

WHEREAS, Declarant has caused or will cause such homeowners association to be incorporated under the Texas Non-Profit Corporation Act, under the name of FRONTIER SHORES HOMEOWNERS ASSOCIATION, INC.

NOW, THEREFORE, Declarant declares that the Property is, and shall be, held, transferred, sold, conveyed, and occupied subject to these Covenants, Conditions, and Restrictions, which, to protect the value and desirability of the Property, shall run with the land and be binding

on, and inure to the benefit of, all parties having or acquiring any right, title, and interest in and to the Property, or any interest therein.

ARTICLE I.

DEFINITIONS

Section 1.1 "Association" shall mean and refer to FRONTIER SHORES HOMEOWNERS ASSOCIATION, INC, a Texas non-profit corporation, which Declarant has caused or shall cause to be incorporated as herein provided, and the Association's successors shall have the power, inter alia, to own real and personal property, to open bank accounts, to enforce this Declaration as herein provided, to obtain one (1) or more policies of insurance insuring the Association and its property and Members, as hereinafter provided, to contract for management, legal, accounting and other professional services, to borrow funds, to employ employees directly or through a manager, to contract for construction on the Property and to place liens thereon, if necessary, and to otherwise do that which it believes necessary to protect or defend the Association and the Property from loss or damage by suit or otherwise.

Section 1.2 "Common Area" or "Common Areas" shall mean and refer to the real property owned in fee simple, by easement, or by other legal right by the Association for the common use and enjoyment of the Owners that is currently designated as "Frontier Shores Lane" on the recorded plat for the Frontier Shores subdivision filed in the Palo Pinto County plat records ("Plat" herein) and the main entrance, main gate and lower service gate. Common Area excludes that portion of the Property designated on the Plat as "UA-1" and "UA-2". It is understood and agreed that Declarant may (but is not required to) designate in the future portion(s) of UA-1 and/or UA-2 as a part of the Common Area.

Section 1.3. "Common Facilities" or "Common Elements" shall mean the improvements located upon the Common Area owned by the Association for the benefit of the Members, including the road, perimeter fencing, gates, and related facilities designated by Declarant as Common Elements. The northernmost front main gate which opens on to Frontier Unit Road and the southernmost gate connecting to the end of Linley Drive are both Common Elements located on Common Area. The middle gate opening to the north part of Linley Drive is not a Common Element and is not located upon the Common Area.

Section 1.4. "Declarant" shall mean and refer to FRONTIER SHORES DEVELOPMENT, LLC and its successors and assigns, if such successor(s) and/or assign(s) becomes so by operation of law, or should (a) such successor(s) and/or assign(s) become the owner of all Lots then owned by Declarant or its successor(s) and/or assign(s) under this provision, and (b) any such successor(s) and/or assign(s) shall receive by assignment from the Declarant all or a portion of its rights hereunder as Declarant, and such successor(s) and assign(s) shall assume all obligations hereunder as Declarant, under a written instrument entered into by and between such parties which is recorded in the appropriate Real Property Records of Palo Pinto County, Texas.

Section 1.5 "Declarant Control Period" shall mean the period commencing on the date on which Declarant forms the Association and ending on the date that Declarant does not own a

Unit and does not own any of the acreage at Frontier Shores noted as UA-1 and UA-2 on the Plat. After termination of the Declarant Control Period, the Declarant, if still an Owner, will have all the rights and duties given to Members under the Association documents and will retain all the rights belonging to Declarant under the Association documents other than those which expire by their terms upon the expiration of the Declarant Control Period.

Section 1.6 "Unit", "Dwelling Unit" or "House Unit" shall mean and refer to any building or portion of a building situated upon any Lot designed and intended for use as a residence by one or more persons. Each Unit, Dwelling Unit or House Unit shall be owned in fee simple. When referring to more than one (1) Unit, the term "Units" shall be used. When referring to more than one (1) Dwelling Unit, the term "Dwelling Units" shall be used. When referring to more than one (1) House Unit, the term "House Units" shall be used.

Section 1.7 "Lots" shall mean and refer to Lots 1 through 5, as shown on the Plat, being all of the current platted lots in the Project which may be improved with Dwelling Units over time and thereafter include any Lots platted from the UA described areas which may be improved with Dwelling Units over time.

Section 1.8 "Member" shall mean and refer to every person or entity who holds membership in the Association, as hereinafter described in Article II. When referring to more than (1) Member, the term "Members" shall be used.

Section 1.9 "Mortgage" shall mean a first lien deed of trust as well as a first lien mortgage on one or more Lots. When referring to more than one (1) Mortgage, the term "Mortgages" shall be used.

Section 1.10 "Mortgagee" shall mean a beneficiary under or holder of a Mortgage or Deed of Trust who has given to the Association written notice that it is the beneficiary under, or holder of, a Mortgage or Deed of Trust affecting all or any part of the Property, as hereinafter defined. The term "Mortgagees" shall be used when referring to more than one Mortgagee.

Section 1.11 "Owner" shall mean and refer to the record owner, whether one (1) or more persons or entities, of fee simple title to any Lot which is a part of the Property. When referring to more than one (1) Owner, the term "Owners" shall be used.

Section 1.12 "Project" shall mean and refer collectively to the Property, together with all improvements thereon and rights appurtenant thereto.

Section 1.13 "Project Documents" shall mean and refer to this Declaration, the Articles of Organization (the "Articles"), the Bylaws (herein so called) of the Association, and the Rules and Regulations (herein so called) for the Association, as the same may be established, supplemented, or amended from time to time under the terms hereof.

Section 1.14 "Future Phase" or "Future Phases" shall mean and refer that portion of the Property noted as UA-1 and UA-2 on the Plat that may be developed by Declarant or Declarant's assigns in the future.

ARTICLE II

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 2.1 **Membership.** Every Owner shall, upon acquisition by original purchase or transfer of the fee or undivided fee interest in a Lot, whether by foreclosure, deed in lieu of foreclosure, or otherwise, automatically be a Member of the Association and entitled to all rights of the Members as provided in the Declaration, including, without limitation, the rights concerning the Common Area; subject, however, to compliance with, the Articles, the Bylaws, and this Declaration. The term "Member" is further defined to include and refer to the executors, personal representatives, and administrators of any Member, and all the persons, firms, or corporations acquiring or succeeding to the fee simple title of any Member by sale, grant, will, foreclosure, execution, legal process, operation of law, or in any other legal manner. Membership shall be appurtenant to, and may not be separated from, any ownership of fee title to any Lot. Ownership of fee simple title to any Lot in compliance with this Declaration, the Articles, and the Bylaws shall be the only qualification for membership. The term "Member" shall not include any Mortgagee or other mortgagee or lienholder unless and until such party has acquired fee simple title to the Lot(s) according to a duly conducted foreclosure or a conveyance of the fee in lieu thereof.

Section 2.2 **Payment of Assessments.** The rights of membership are subject to the payment of annual and special assessments levied by the Association, the obligation of which assessments are imposed against the Owner of and becomes a lien upon each Lot against which such assessments are made as provided by Article III hereof.

Section 2.3 **Suspension of Membership.** During any period in which a Member shall be in default in the payment of any annual or special assessment levied by the Association, the voting rights and right to the use of the Common Area by such Member, his tenants, and each individual residing with either of them in the Dwelling Unit owned by such Member, shall be suspended until such assessment has been paid. Such rights of a Member, his tenants, and each individual residing with either of them in any improvements located on such Member's Lot may also be suspended by the Board of Directors of the Association upon notice for (a) the violation of any Rules and Regulations established by the Board of Directors of the Association governing the use of the Common Area, for thirty (30) days or until such violation is cured, whichever occurs first, or (b) the failure to meet any obligation imposed by this Declaration upon such Member, his tenants, or any individual residing with either of them, until such obligation is satisfied.

Section 2.4 **Classes of Membership.** The Association shall have two classes of voting membership:

CLASS A Class A Members shall be all Owners, except for the Declarant, and shall be entitled to one (1) vote for each Lot owned. Whenever there is more than one (1) record Owner of a Lot (e.g., the Lot is owned by a married couple or in undivided interests), all of the record Owners shall be Members, and all may attend meetings of the Members,

provided, however, that the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast concerning any Lot.

CLASS B The sole Class B Member shall be the Declarant. The Class B Member shall be entitled to five (5) votes for each Lot it owns.

Section 2.5 Quorum and Notice Requirements.

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

(b) Quorum and Votes Required for Member Approval. The presence at any meeting of Members entitled to cast fifty percent (50%) or more of all the votes of the Association's Members, regardless of class, represented in person or by proxy, shall constitute a quorum. If a quorum is not present at any meeting, the Members present, though there is less than a quorum, may adjourn the meeting to a later date and give notice thereof to all the Members in accordance with the provisions of subpart (a) of this Section 2.5 until a quorum shall be represented. At any adjournment meeting at which a quorum shall be represented, any business may be conducted which might have been transacted at the originally called meeting. The vote of more than fifty percent (50%) of the votes of the Members eligible to vote at a meeting of the Members, for which a quorum is present, shall be required to constitute the valid and official act of the Members and shall be required to decide any question or matter before such meeting, unless the vote of a greater number is required by statute, the Articles of Organization or the Bylaws of the Association.

(c) Action by Written Consent. Any provision of this Declaration to the contrary notwithstanding, any action which requires the approval of the Members may be taken with the assent given in writing and signed by the Members entitled to cast 51% of all the votes of the Members, regardless of class.

(d) Conflict between Organizational Documents. Except as specifically outlined in this Declaration, notice, voting quorum, and all other requirements concerning a meeting of the Members or any other action to be taken by the Association shall be outlined in its Articles of Organization and Bylaws, as the same may be amended from time to time. In the event of any conflict between this Declaration and the Articles of Organization or Bylaws of the Association, this Declaration shall control.

Section 2.6 Declarant Right to Appoint.

(a) Subject to the terms and conditions of subsection 2.6(b) below, but notwithstanding anything else to the contrary contained in this Declaration or any other Association document, Declarant shall have the exclusive right to appoint and remove all the officers and board of directors of the Association during the Declarant Control Period. After the expiration of the

Declarant Control Period, the Board of Directors shall elect the officers. The Board of Directors and officers shall take office upon election.

(b) The Declarant may voluntarily surrender its right to appoint and remove directors and/or officers before the expiration of the Declarant Control Period.

(c) Upon the expiration of the Declarant Control Period and so long as the Declarant owns at least one Lot, the Declarant shall retain the right to elect one director, and the remaining directors shall be elected by the Members.

ARTICLE III

ASSESSMENTS

Section 3.1 Creation of the Lien and Personal Obligation of Assessments. Declarant hereby covenants and agrees, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed, as part of the purchase money consideration for such deed and conveyance, to covenant and agree to pay to the Association (or to an agent designated by the Association): (i) Annual Assessments (hereinafter defined in Section 3.3); (ii) Special Assessments (hereinafter defined in Section 3.4) for capital improvements or other purposes, as fixed, established and collected from time to time as hereinafter provided; and (iii) Special Individual Assessments (hereinafter defined in Section 3.5) levied against individual Owners to reimburse the Association for extra costs for maintenance and repairs caused by the willful or negligent acts of the individual Owner or Dwelling Unit, his tenant(s) occupying his Lot, if applicable, and their respective family, agents, guests and invitees, as fixed, established and collected from time to time as hereinafter provided. Declarant hereby reserves and assigns to the Association, without recourse, a lien against each Lot to secure the payment of the Annual Assessments, Special Assessments, Special Individual Assessments, and any other assessment which may be levied by the Association according to the terms hereof (sometimes referred to individually as an "Assessment" or "assessment" and collectively as the "Assessments" or "assessments"), together with interest thereon at the maximum nonusurious rate, costs of collection and reasonable attorneys' fees, as hereinafter provided, and same shall be a continuing lien and charge upon each Lot against which each such Assessment is made. Said liens may be enforced by all appropriate proceedings, and the amounts secured thereby shall be the obligation of and chargeable to the Owner in default. Any such lien shall be and is subordinate and inferior only to the following: (i) assessments, liens, and charges in favor of the State of Texas and any political subdivision thereof for taxes past due and unpaid on such Lot; and (ii) amounts due under any Mortgage instruments duly recorded before the recordation of any assessment lien. Each such Assessment, together with interest thereon at the highest nonusurious rate allowed by law, reasonable attorneys' fees, and court costs, as hereinafter provided, shall also be the continuing personal obligation of each person or entity which was an Owner of such Lot at the time when the Assessment fell due. No Owner shall be exempt or excused from paying any such charge or assessment by waiver of the use or enjoyment of the Lot or any improvements thereof or by abandonment of his Lot or his interest therein.

Land located within the area illustrated on the Plat designated as UA-1 and UA-2 shall not be subject to assessment (Annual Assessments, Special Assessments or Special Individual Assessments) until, and only if, that portion of the Property is replatted into new smaller platted Lot(s). Upon replat and a filed Covenants, Conditions and Restrictions Supplement the indicated parcels shall then become "Lots" and their owners shall become "Members" and then subject to the applicable provisions herein, but not before then.

Section 3.2 Purpose of Assessments. The Assessments levied by the Association shall be used for: (i) mowing, trimming and maintenance of the Common Area, (ii) operation, maintenance, and repair of the fences, street lights, gates and gate control equipment; (iii) the repair, maintenance, and replacement of other portions of the Property deemed appropriate by the Association, including roadways; (iv) paying the cost of labor, equipment (including the expense of leasing any equipment) and materials required for, and management and supervision of, the foregoing; (v) carrying out the duties of the Association as outlined in this Declaration; (vi) promoting the recreation, health, safety, and welfare of the residents of the Property; (vii) the improvement and maintenance of any Common Area or Common Facilities, and (viii) carrying out the purposes of the Association as stated in its Articles of Organization. The Association may, in its sole discretion, give one or more of the purposes outlined in this Section 3.2 preference over other purposes, and it is agreed that all expenses incurred, and expenditures and decisions made by the Association in good faith shall be binding and conclusive on all Members.

Section 3.3 Annual Assessments. The 2026 budget setting forth an estimate of all expenses to be paid during the year and a reserve for contingencies and replacements shall be established by the initial Board of Directors of the Association at their organizational meeting. Within thirty (30) days prior to the beginning of each subsequent calendar year, the Board of Directors of the Association shall prepare an annual budget setting forth an estimate of (a) the expected income, (b) the expenses to be paid during such year (which may include, at the reasonable discretion of the Board of Directors, a provision for contingencies and reserves for replacements), and (c) the net cash requirements of the Association for such year.

Such estimated cash requirements shall be allocated and assessed to each of the Lots covered by this Declaration and to each of the Owners thereof, based on a ratio. The numerator of the ratio shall be the number of Lots owned by such Owner, and the denominator of the ratio shall be the total number of Lots owned by Owners and the Declarant within the Property.

If an estimated assessment by the Association proves inadequate for any reason, including nonpayment of any Owner's Assessments, the Board may at any time levy a supplemental Annual Assessment, which shall be assessed proportionately to each of the Lots and the respective Owner(s) thereof on the same percentage basis as the regular Annual Assessments. Further, the Board may at any time ratably increase or decrease the amounts of Annual Assessments to such level as shall be reasonably necessary in the judgment of the Board to cover obligations of the Board under this Declaration. The Board is obligated to maintain Annual Assessments at a level sufficient to enable payment of all costs of the operation of the Association. Each Owner shall be obligated to pay Annual Assessments made according to this paragraph to the Association in such other manner as the Board shall specify in writing. The Board of Directors may, at its discretion,

decide whether such Annual Assessments shall be due and payable monthly, quarterly, semi-annually, or annually. The omission by the Board before the expiration of any year to fix the Annual Assessments hereunder for that or the next year shall not be deemed a waiver or modification in any respect of the provision of the Declaration or a release of any Owner from the obligation to pay said Assessments or any installment thereof for that or any subsequent year, but the Annual Assessment fixed for the preceding year shall continue until a new Annual Assessment is fixed. It is expressly agreed that the Annual Assessment can include estimates and reserves for future improvements.

Section 3.4 Special Assessments. In addition to the Annual Assessment authorized above, the Board may levy, in any year, one or more Special Assessments applicable to that year only for capital improvements or defraying any unanticipated or underestimated expense or other action or undertaking normally covered by an Annual Assessment or for any other purpose set forth herein. The Special Assessments shall be assessed equally against each Owner in the same manner as the Annual Assessments.

Section 3.5 Special Individual Assessments. The Association may, upon the vote of the Board, levy Special Individual Assessments against an individual Owner for reimbursement to the Association for repairs to any portion of the properties occasioned by the willful or negligent acts of such Owner(s), their families, tenants, invitees, guests, employees, agents, contractors and representatives, but not the result of ordinary wear and tear. The Board may also vote to levy a Special Individual Assessment against an individual Owner to reimburse the Association its costs incurred for actions taken by it against said Owner in enforcing any provisions of the Project Documents due to the non-compliance, non-conformance, or violation of any provision thereof by said Owner, or said Owner's tenants, employees, invitees, guests, agents, contractors or representatives, late charges and collection fees, or for any other purpose set forth herein, or for any other purposes outlined in the Project Documents.

Section 3.6 Detailed Records. The Board shall keep accurate books and records in chronological order of the receipts and expenditures affecting the Property, specifying and itemizing the maintenance and repair expenses and any other expenses incurred to fulfill its other duties as set forth herein. Records and vouchers authorizing the payments involved shall be available for examination by any Owner during business hours on weekdays with 48 hours notice to the Board of Directors.

Section 3.7 Commencement of Payment of Assessments. Each Owner shall pay Annual Assessments as specified above commencing with the first date specified by the Board hereafter.

Section 3.8 Reserve Fund. A reserve (or miscellaneous) fund may be established under the control of the Board to be used for maintenance, repair, and/or replacement relating to the Association's duties as set forth herein.

Section 3.9 Association Lien. All regular and special Assessments, together with interest thereon, late charges, fines, reasonable attorneys' fees, and costs of suit, as herein provided, shall constitute and be a separate, distinct and personal debt and obligations of the Owner against which same is assessed and shall be secured by a separate and valid and subsisting deed of trust

assessment lien, hereby created and fixed, and which shall exist upon and against each Lot and all improvements thereon, for the benefit of the respective Association of which the Owner of each such Lot is deemed a Member, and all Members thereof. Notwithstanding any other provision hereof, the lien to secure the payment of Assessments and any other lien which the Association may have on any Lot pursuant to this Declaration for (i) assessments or other charges becoming payable on or after the date of recordation of the Mortgage on any Lot, or (ii) any fees, late charges, fines or interest that may be levied by the Association in connection with unpaid Assessments, shall be subordinated to the lien or equivalent security interest of any first lien mortgage or deed of trust on any Lot. Any foreclosure of any such superior lien under the power of sale of any mortgage, deed of trust, or other security instruments, or through court proceedings in which the respective concerned Association has been made a party, shall extinguish the liens securing Assessments which became due and payable before such foreclosure date, but no such foreclosure shall free any Lot from the liens securing Assessments thereafter becoming due and payable, nor shall the liability of any Member personally obligated to pay such Assessments and related sums and charges which become due prior to such foreclosure, be extinguished by any foreclosure, nor shall the lien for future assessments or charges be affected in any manner. Any such Assessments and related sums and charges that are extinguished according to the foregoing provision shall be reallocated and assessed to all Lots as a common expense.

Section 3.10 Effect of Nonpayment of Assessment. If any Assessment is not paid within thirty (30) days from the due date thereof, same shall bear interest from the due date until paid at the highest nonusurious rate allowed under the laws of the State of Texas or other applicable law, or if no such limitation is imposed, then at the rate of eighteen percent (18%) per annum, and if placed in the hands of an attorney for collection or if collected through probate or other judicial proceedings, there shall be paid to the Association an additional reasonable amount. Further, the Association may assess late charges, fees, and fines for additional costs incurred, including, without limitation, for insufficient checks and increased administrative costs, as determined by the Board of Directors, subject, however, to limitations imposed by law.

Section 3.11 Collection and Enforcement. The Association shall take such action as its Board of Directors deems necessary to collect Assessments and may settle and compromise the same if it is in the best interest of the Association. If a default by any Owner in the payment of any Assessment remains uncured for thirty (30) days following notice from the Board, the Board may, in addition to any other remedies provided herein or otherwise permitted by law, do any one (1) or more of the following at any time on behalf of the Association:

(a) Accelerate and demand payment of all Assessments for the balance of the then-current year upon twenty (20) days written notice.

(b) Give a notice to the defaulting Owner, which notice shall state the date of the delinquency and the amount of the delinquency and make a demand for payment thereof. If such delinquency is not paid within twenty (20) days after delivery of such notice, the Board may elect to record in the Palo Pinto County, Texas Records, a Notice of Assessment against the delinquent Owner. Such Notice of Assessment shall state (i) the name of the record Owner, (ii) a description of the Lot against which the Assessment is made, (iii) the amount claimed to be due and owing,

(iv) that the Notice of Assessment is made by the Board pursuant to the terms of this Declaration, and (v) that a lien is claimed against the described Lot in an amount equal to the amount of the stated delinquency. Any such Notice of Assessment shall be signed and acknowledged by the President, Vice President, Secretary, or Treasurer of the Association. The Board may enforce any such lien as a lien on real property in accordance with the provisions of the laws of the State of Texas, now or hereafter in effect, which provisions are hereby incorporated herein by reference.

(c) Bring a suit or suits at law to enforce the payment of each such Assessment obligation (including all interest, fees, late charges, and fines properly levied with respect thereto) and/or for the judicial foreclosure of the lien securing same. Any judgment rendered in any such action shall include, where permissible under any law, a sum for reasonable attorneys' fees and costs in such an amount as the Court may adjudge against such defaulting Owner. Upon satisfaction of any such judgment, it shall be the duty of an officer of the Association, acting in the name of the Association, to execute and deliver to the judgment debtor an appropriate satisfaction thereof.

(d) Conduct a nonjudicial foreclosure in accordance with this subpart (d). Each Owner, by his acceptance of a deed to a Lot, whether or not it shall be so expressed therein, but as part of the consideration therefor, hereby expressly grants and conveys the Lot (and any Dwelling Unit), in trust, to the Board, for the benefit of the Association, with the right and power to enforce the aforesaid liens by nonjudicial foreclosure pursuant to Chapter 51 of the Texas Property Code or in accordance with the prescribed manner for foreclosure of deed of trust liens provided by any future amendment to such statute or any other statute or article enacted in substitution therefor, and such Owner hereby expressly grants to the Association a power of sale in connection with said liens. An officer or agent of the Association shall post, file, and deliver the required notices as provided by law and conduct such foreclosure sale or appoint an agent to any or all of the foregoing. The liens provided for in this Article III shall be in favor of the Association and, shall be for the common benefit of all Members, and shall have the same effect as though each Owner had expressly granted a deed of trust lien as well as a security interest in said Lot (and any Dwelling Unit) to secure the payment of the assessments provided for herein. At any foreclosure sale, whether judicial or nonjudicial, the Association shall be entitled to bid up to the amount of its lien, together with costs and attorneys' fees, and to apply as a cash credit against its bid all sums due the Association covered by the lien foreclosed. From and after any such foreclosure, the former Owner or Owners, their heirs, and assigns shall forthwith upon the making of such sale surrender and deliver possession of the property so sold to the purchaser at such sale, and in the event of their failure to surrender possession of said property upon demand, the purchaser, or his heirs or assigns, shall be entitled to institute and maintain an action for forcible detainer of said property in the Justice of the Peace Court in the Justice Precinct in which such Lot, or any part thereof, is situated. The original trustee for this lien shall be Michael H. Patterson. The Board of Directors, in any event, is hereby authorized to appoint a substitute trustee, or a successor trustee, to act in the place of the original trustee without any formality other than the designation in writing of a substitute or successor trustee; and the authority hereby conferred by the Board of Directors shall extend to the appointment of other successor and substitute trustees successively until the delinquent assessment or assessments have been paid in full, or until said property is sold, and each substitute and

successor trustee shall succeed to all the rights and powers of the original trustee appointed by the Board of Directors or its agents.

Section 3.12 Exempt Property. The following property subject to this Declaration shall be exempted from the assessments, charges, and liens created herein:

- (a) All properties dedicated and accepted by the local public authority and devoted to public use; and
- (b) All streets and Common Areas.
- (c) Acreage indicated as UA-1 and UA-2 on Exhibit A-Plat attached hereto for as long as it is not replated and offered for resale.

Section 3.13 Payment of Assessments Upon Sale or Conveyance of a Lot. Upon the sale or conveyance of a Lot, all unpaid Assessments against an Owner levied by the Board pursuant to the terms hereof shall first be paid out of the sale price paid by the purchaser in preference over any other assessments or charges of whatever nature, except the following:

- (a) Assessments, liens, and charges in favor of the State of Texas and any political subdivision thereof for past due and unpaid taxes on the Lots; and
- (b) Amounts due under any Mortgage instruments duly recorded.

Section 3.14 No Offsets. All Assessments shall be payable in the amount specified by the Association, and no offsets against such an amount shall be permitted for any reason.

Section 3.15 Estoppel Information from the Association. The Board of Directors of the Association shall, upon request, furnish to any Owner a certificate in writing signed by the President, any Vice President, the Treasurer, Secretary, or any Assistant Secretary of the Association setting forth whether all Assessments have been paid and the amount of any balance due. Such a certificate shall be conclusive evidence of payment of any Assessments therein stated to have been paid. The Board may assess a reasonable charge for providing this certificate, and the payment of same shall be a condition precedent to its issuance.

Section 3.16 Date of Commencement of Annual Assessments; Due Dates. Concerning any Owner that purchases a Lot or Lots from Declarant, the regular Annual Assessments provided for herein shall commence as to each Lot on the date such Lot is conveyed by Declarant to Owner, but not earlier than July 1, 2026. Annual and Special Assessments shall be allocated to each Owner by multiplying such assessment times a ratio, the numerator of the ratio shall be the number of Lots owned by such Owner, and the denominator of the ratio shall be the total number of Lots within the Property. The due date (or dates if it is to be paid in installments) of any Special Assessment under Section 3.5 shall be fixed in the resolution authorizing such an assessment. Any Special Individual Assessment shall be paid by the applicable Owner upon demand by the Association. The Association may levy a late payment fee equal to \$25 per month for each month that any assessment is delinquent. The Association may also charge interest on such amounts at the rate of 18 percent per annum or such other interest rate as may from time to time be established by the Board of Directors not to exceed 18 percent per annum, from the date due and payable until

paid. In addition, during the period of any delinquency, the Association may suspend an Owner's voting privileges or any other privileges to use or enjoy the Common Elements, but only after complying with the notice and cure requirements outlined in Chapter 209 of the Texas Property Code.

Section 3.17 Goods or Services Provided by Declarant. From time to time, the Declarant, or one of its affiliates, may undertake services and functions it deems reasonable or necessary to carry out the provisions of this Declaration or to benefit the Owners, including, without limitation, maintenance, repairs, accounting, administration, and landscaping services. The Owners acknowledge and agree that the Association may reimburse the Declarant or its affiliates for the cost of such goods and/or services or a reasonable portion of the cost of such goods and services if such goods and/or services benefit more than one party. Such payments by the Association to the Declarant or its affiliates may be charged to the Owners as part of the assessments discussed herein.

Section 3.18 Working Capital Fund. The Association may establish and maintain a maintenance fund for the periodic maintenance of the Common Elements, into which funds collected from annual and special assessments pertaining to such maintenance shall be deposited. The Board may at any time ratably increase or decrease the amount of the annual assessments to such a level as shall be reasonably necessary in the judgment of the Board to cover the estimated obligations of the Association under this Declaration, including provisions of reasonable reserves.

ARTICLE IV

GENERAL POWERS AND DUTIES OF THE ASSOCIATION

Section 4.1. Power and Duties. The Board of Directors ("Board" herein) acting for the Association, for the benefit of the Project and the Owners, shall provide and shall pay for the following:

(a) The services of a person or firm to manage and/or provide consultation to the Association or any separate portion thereof to the extent deemed advisable by the Board, and the services of such other personnel as the Board shall determine to be necessary or proper for the operation of the Association, whether such personnel are employed directly by the Board or by the manager.

- (b) Legal and accounting services.
- (c) Operation, maintenance, and repair of all Common Areas.
- (d) Mowing and trimming of Common Areas.
- (e) Operation and maintenance of fencing, roads, lights, and gates in the Project.
- (f) Workers' compensation insurance to the extent necessary to comply with any applicable laws.

- (g) Such fidelity bonds as may be required by the Bylaws or as the Board may determine to be advisable.
- (h) Any other materials, supplies, insurance on Association owned property, furniture, labor, services, maintenance, repairs, structural alterations, taxes or assessments (including taxes or assessments assessed against an individual Owner) which the Board is required to obtain or pay for according to the terms of this Declaration or by law or which in its opinion shall be necessary or proper for the operation or protection of the Association or the enforcement of this Declaration.
- (i) Maintenance and care of any other Common Areas and other amenities in the Project, if any.

The Board shall have the following additional rights, powers and duties:

- (a) To execute all replats of the Common Area and to execute all declarations of ownership for tax assessment purposes with regard to the Common Area on behalf of all Owners.
- (b) Subject to the provisions of the Articles of Organization, to borrow funds to pay costs of operation, secured by assignment or pledge of rights against delinquent Owners, if the Board sees fit.
- (c) To enter into contracts, maintain one or more bank accounts, and generally to have all the powers necessary or incidental to the operation and management of the Association, expressly including the power to enter into management and maintenance contracts.
- (d) To protect or defend the Common Area from loss or damage by suit or otherwise and to provide adequate reserves for replacements.
- (e) To make reasonable Rules and Regulations for the operation of the Common Area and amend them from time to time, provided, however, that any Rule or Regulation may be amended or repealed by an instrument in writing signed by the Members holding a majority of the total votes of all classes. Without limiting the generality of the foregoing language, the Rules and Regulations may provide for limitations on use of the Common Area during certain periods by youthful persons, visitors or otherwise.
- (f) To adjust the amount, collect and use any insurance proceeds to repair damage or replace lost property, and if proceeds are insufficient to repair damage or replace lost property, to assess the Members in proportionate amounts to cover the deficiency.
- (g) To enforce the provisions of this Declaration and any rules made hereunder and to enjoin and seek damages from any Owner for violation of such provisions or rules.
- (h) Such other purposes as outlined in the Articles and the Bylaws.

Section 4.2 Board Power, Exclusive. The Board shall have the exclusive right to contract for all goods, services, and insurance and the exclusive right and obligation to perform the functions of the Board, except as otherwise provided herein.

Section 4.3 Owner's Obligations to Repair. Except for the limited maintenance obligations of the Association as expressly set forth herein, and subject to Section 5.9 below, each Owner shall, at his sole cost and expense, maintain and repair his Lot and Dwelling Unit, including, without limitation, all interior and exterior wall surfaces, garage, all HVAC, plumbing, electrical, gas, telephone, water, CATV and sewer lines, septic fields, balconies, patios, fences, driveways, sidewalks, and all doors and windows, roof and foundation, keeping the same in good condition and repair. In the event that any Owner shall fail to maintain and repair his Dwelling Unit and Lot and such improvements as required hereunder, the Association, in addition to all other remedies available to it hereunder or by law, and without waiving any of said alternative remedies, shall have the right, through its agents and employees, to enter upon said Lot and to repair, maintain and restore the Lot and the exterior of the buildings and any other improvements erected thereon; and each Owner (by acceptance of a deed for his Lot) hereby covenants and agrees to repay the Association the cost thereof immediately upon demand, and the failure of any such Owner to pay the same shall carry with it the same consequences as the failure to pay any assessments hereunder when due.

ARTICLE V

USE OF LOTS: PROTECTIVE COVENANTS

The Project (and each Lot situated therein) shall be occupied and used as follows:

Section 5.1 Restricted Actions by Owners. No Owner shall permit anything to be done or kept on his Lot which will result in the cancellation of or increase in the cost of any insurance carried by the Association or which would be in violation of any law. No Owner shall permit anything to be done on his Lot or kept in the Dwelling Unit constructed thereon that would violate any statutes, laws, or ordinances.

Section 5.2 Rules of the Board. All Owners and occupants shall abide by any Rules and Regulations adopted by the Board. The Board shall have the power to enforce compliance with said Rules and Regulations by all appropriate legal and equitable remedies, and an Owner determined by judicial action to have violated said Rules and Regulations shall be liable to the Association for all damages and costs, including attorneys' fees.

Section 5.3 Attachments. No permanent attachments of any kind or character whatsoever (including, but not limited to, television and radio antennas) shall be made to the roof or walls of any Dwelling Unit unless (a) the proposed plans for such attachments shall have been first submitted to and approved by the Board, and (b) in the case of antennas and satellite dishes covered by the "FCC Rule" adopted on August 6, 1996, according to Section 107 of the Federal Tax Communications Act of 1996 (47 U.S.C. Part 1, Subpart S) as same may hereafter be amended,

or any successor statute, such approval by the Board shall be based on aesthetic and safety-related requirements adopted by the Board in accordance with the FCC Rule.

Section 5.4 Storage of Vehicles. Sailboats, motorboats, personal watercraft, houseboats or other similar waterborne vehicles, commercial trucks or vans, buses, trailers, mobile homes, campers, recreational vehicles, commercial vehicles, unregistered vehicles, unlicensed vehicles, inoperative vehicles, racing or off-road vehicles or any other vehicles (collectively, the "Prohibited Vehicles"), may only be maintained, stored and kept on the Project only if in the Owner's enclosed garage or warehouse or with Association written approval. Only operating conventional passenger automobiles, pickup trucks, vans, and motorcycles (collectively, the "Permitted Vehicles") may be parked on the street, and only then for a period not to exceed 72 consecutive hours.

Section 5.5 Temporary and Other Structures. No structure of a temporary character, trailer, mobile, modular or prefabricated home, tent, shack, barn, or any other structure or building, other than the residence to be built thereon, shall be placed on any Lot, either temporarily or permanently, and no residence, house, garage or other structure appurtenant thereto shall be moved upon any Lot from another location. No tree house shall be built on and Lot or Common Area without Declarant written approval.

Section 5.6 Removal of Dirt. The digging of dirt or the removal of any dirt from any Lot is prohibited, except as necessary in conjunction with landscaping or construction of improvements thereon. In no event shall the digging, removal, or addition of dirt and/or sod or any plant or other landscape material be permitted which in any way alters the flow of water across and/or onto an adjoining Lot.

Section 5.7 Architectural Control. Notwithstanding anything contained in this Declaration to the contrary, no erection of Dwelling Units or other buildings or improvements or exterior additions (including swimming pools and spas) or alterations or other improvements (including, without limitation, paint color) to any Dwelling Unit or other building situated upon the Property, nor erection of, or changes or additions in, fences, walls, roof, foundation, garage, and other structures, nor construction of any other improvements, shall be commenced, erected or maintained until (i) a preliminary sketch showing the basic plan and general specifications of same shall have been submitted to and approved by the Board of Directors of the Association, and (ii) the final plans and specifications showing the size, nature, kind, shape, height, materials, texture finish, color and location of the same shall have been submitted to and approved in writing as to harmony of external design, appearance, and location in relation to surrounding structures and topography by the Board of Directors; provided, however, that the provisions of this Section 5.7 shall not apply to Dwelling Units, buildings, structures, improvements, additions and alterations commenced, erected or maintained by Declarant. ANY REPAINTING, STAINING, OR CHANGE TO THE TEXTURE OR COLOR OF ANY EXTERIOR SURFACE, ROOF, GARAGE, DOOR, OR WINDOW FRAME OF ANY DWELLING UNIT REQUIRES THE CONSENT OF THE BOARD OF DIRECTORS. The Board of Directors has these rights to preserve and promote the aesthetic and architectural harmony and integrity of the Project. A copy of the approved plans and drawings shall be furnished by the Owner and retained by the Board. The members of the Board of Directors shall not be entitled to compensation or be liable for

damages, claims, or causes of action arising out of services performed according to this Article. Actual construction must comply in all material respects with the plans approved by the Board.

Section 5.8 Drainage.

- (a) The subdivision utilizes lot-to-lot drainage. Within and around each structure, surface drainage from an uphill Lot may pass through one or more downhill Lots. Owners are prohibited from modifying or blocking the drainage pattern.
- (b) Within those easements on each Lot as designated on the Plat or by the Declarant or the Association, no improvement, structure, planting, or materials shall be placed or permitted to remain which might damage or interfere with the installation, operation, and maintenance of public utilities, or which might alter the direction of water flow within such easements and drainage channels or which might obstruct or retard the flow of water through such easements and drainage channels.
- (c) Neither the Declarant nor its successors or assigns shall be liable for, and each Owner hereby waives any right to recovery against Declarant, its successors, and assigns for any loss of, use of, or damage done to, any shrubbery, trees, flowers, improvements, fences, sidewalks, driveways, or buildings of any type or the contents thereof on any Lot caused by any water levels, rising waters, or drainage waters.

Section 5.9 No Interference with Association Duties. Without the prior written consent of the Association, no Owner or Owner's agent shall perform any of the duties and obligations of the Association outlined in Section 4.1 above.

Section 5.10 Waste-Water Function. The Association will not provide wastewater services nor the installation, operation, maintenance, repair, and replacement of waste-water facilities.

Section 5.11 Other Functions. The Association may undertake and perform other functions as it deems reasonable or necessary to carry out the provisions of this Declaration, including without limitation, construction, care, operation, management, maintenance, repair, and replacement of a central mailbox facility.

Section 5.12 Right to Make Rules and Regulations. The Association shall be authorized to and shall have the power to adopt, amend, and enforce Rules and Regulations applicable within the project concerning any Common Element and to implement the provisions of the Association Documents, including but not limited to Rules and Regulations to prevent or reduce fire hazard; to prevent disorder and disturbances of the peace; to regulate pedestrian and vehicle traffic; to regulate animals; to protect wildlife; to regulate signs; to regulate weed and pest control on property within the project; regulate the use of all Common Elements to assure the fullest enjoyment of use; to promote the general health, safety, and welfare of persons residing, visiting, and doing business within the said area; and to protect and preserve property and property rights. All Rules and Regulations shall comply with the Association Documents and any supplemental declarations of land use restrictions for the Project. The Rules and Regulations shall be reasonable and shall be uniformly applied, except such rules may differentiate between the categories of

Owners, lessees, and guests. The Association may provide for enforcement of any such Rules and Regulations through reasonable and uniformly applied fines and penalties, through the exclusion of violators from Common Elements or enjoyment of any functions, or otherwise. Each Owner, Lessee, and Guest shall be obligated to and shall comply with and abide by such Rules and Regulations and pay such fines or penalties upon failure to comply with or abide by such

Rules and Regulations and such unpaid fines and penalties shall be enforceable in accordance with this Article V.

Section 5.13 Right to Dispose of Common Elements. Subject to Section 5.14 below, the Association shall have the full power and authority to sell, lease, grant easements, rights-of-way, licenses, leases, or concessions in or to, transfer, encumber, abandon or dispose of any Common Elements, but only with the written approval of the Declarant.

Section 5.14 Implied Rights of the Association. The Association shall have and may exercise any right or privilege given to it expressly in this Declaration or, except, to the extent limited by the terms and provisions of this Declaration, given to it by law and shall have and may exercise every other right or privilege or power and authority necessary or desirable to fulfill its obligations under this Declaration, including without limitation the rights to:

- (i) Adopt and amend the Bylaws and Rules and Regulations of the Association;
- (ii) Adopt and amend budgets for revenues, expenditures, and reserves and collect assessments, including without limitation, assessments for common expenses, from Owners;
- (iii) Hire and terminate managing agents and other employees, agents, and independent contractors;
- (iv) Institute, defend, or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more Owners on matters affecting the Association;
- (v) Make contracts and incur liabilities;
- (vi) Regulate use, maintenance, repair, replacement and modification of the Common Elements
- (vii) Grant easements, leases, licenses, and concessions through or over the Common Elements. Without limiting the generality of the foregoing, the Association may grant easements, rights of way, leases, licenses and concessions to suppliers of utilities serving the Property or property adjacent to the Property and may grant such rights to Declarant and other developers or owners of property adjacent to the Property for the purpose of accommodating minor encroachments onto the Common Elements or other purposes that do not unreasonably interfere with the use and enjoyment of the Common Elements; and
- (viii) Impose charges for late payments of assessments, recover reasonable attorneys fees and disbursements and other costs of collection for assessments and other actions to enforce the rights of the association, regardless of whether or not suit was initiated, and after notice and opportunity to be heard, levy reasonable fines and penalties for violations for the Association Documents.

ARTICLE VI

EASEMENTS

Section 6.1 [Intentionally Omitted]

Section 6.2 [Intentionally Omitted]

Section 6.3 Utility Easements. Easements for the installation, maintenance, repair, and removal of utilities (including, but not limited to, sewer, septic, water, telephone, power, gas, street lighting, and television cables) and drainage facilities and floodway easements over, under, and across the Property are reserved by Declarant for itself, and its successors and assigns. Declarant shall have the right to grant easements for such purposes over, under, and across the Property. Full rights of ingress and egress shall be had by Declarant and its successors and assigns, at all times, over the Property for the installation, operation, maintenance, repair, or removal of any utility, together with the right to remove any obstruction that may be placed in such easement that would constitute interference with the use of such easement, or with the use, maintenance, operation or installation of such utility. Notwithstanding the foregoing, however, if any of the utilities referred to in this section shall have been installed or otherwise located on the Property, outside the easements created by the Plat or other written instrument filed of record in the appropriate Real Property Records of Palo Pinto County, Texas, then Declarant will execute and file a written instrument in the records of Palo Pinto County, Texas, defining the exact location of each such easement.

Section 6.4 Ingress and Egress by the Association. Full rights of ingress and egress shall be had by the Association at all times over and upon each Lot for the maintenance and repair of those portions of the Lot and the Dwelling Unit thereon required to be maintained and repaired by the Association under the provisions hereof, and for the carrying out by the Association of its functions, duties and obligations hereunder; provided, that any such entry by the Association upon any Lot shall be made with as minimum inconvenience to the Owner as practical, and any damage caused thereby shall be repaired by, and at the expense of, the Association.

Section 6.5 Emergency and Miscellaneous Association Easements. An easement is further granted to all police, fire protection, ambulance, garbage and trash collection pickup vehicles, and all similar persons to enter upon the Lots in the performance of their duties. Further, an easement is hereby granted to the Association, its officers, agents, employees, and any management company selected by the Association to enter in or to cross over any Common Area and any Lot to perform the duties of maintenance and repair of the Dwelling Units or Common Area provided for herein. Notwithstanding anything to the contrary contained in this section, no sewer lines, electrical lines, water lines, or other utilities may be installed or relocated on said Project except as initially or thereafter approved by Declarant or the Board. Should any utility furnishing a service covered by the general easement herein request a specific easement by separate recordable document, Declarant shall have the right to grant such easement on said Project without conflicting with the terms hereof. The easements provided for in this section shall in no way affect any other recorded easement on said Project.

ARTICLE VII.

RESTRICTIONS APPLICABLE TO PROPERTY

Section 7.1 Land Use Restrictions. In addition to the restrictions found in this Article VII, all or any portion of the Property shall be further restricted in its use, density, or design according to (i) any supplemental declarations of land use restrictions affecting the Project recorded with the Clerk and Recorder of Palo Pinto County, Texas, if any such supplemental declarations are recorded prior to the time Declarant transfers or conveys any such Property to the Association or any third party; and (ii) the Rules and Regulations. Each Owner shall comply with all other terms, provisions, covenants, conditions, restrictions, easements, and reservations on the Owner's part to be complied with under this Declaration.

Section 7.2 Home Business. A home occupation, profession, trade, or other nonresidential use will be a permissible use of a House Unit, so long as (i) such use is permitted by law, (ii) such use is carried on entirely within a House Unit and is secondary and incidental to its use as a residence, (iii) there is no external evidence of any such activity being conducted, (iv) the home occupation does not employ any nonresident of the House Unit, nor does it attract any nonresident customers; (v) the Owner receives a permit therefor from the Association, which permit may be granted, denied, or revoked in the Association's sole discretion, and (vi) the use is conducted in compliance with the Rules and Regulations. This Section 7.2 shall not prohibit the use of any House Unit by the Declarant.

Section 7.3 Maintenance of Property. All Property, except for any portion of the Property then undergoing major construction, including all improvements on such Property, shall be kept and maintained by the Owner thereof in a clean, safe, attractive, and sightly condition and good repair, and no trash, litter, junk, or boxes, containers, bottles, cans, implements, machinery, lumber, or other building materials shall be permitted to remain exposed upon any House Unit so that they are visible from or are a nuisance in any way to any neighboring House Unit or any road.

Section 7.4 No Noxious or Offensive Activity. No noxious or offensive activity shall be carried on upon any Property, nor shall anything be done or placed on any Property which is or may become a nuisance or cause any significant embarrassment, disturbance, or annoyance to others.

Section 7.5 No Harassment of Wildlife. No hunting or harassment of wildlife shall be permitted upon the Property.

Section 7.6 No Hazardous Activities. No activities shall be conducted on any Property and no improvements constructed on any Property which are or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms shall be discharged upon any Property. No open fires shall be lighted or permitted on any Property except (i) in a contained barbecue unit while attended and in use for cooking purposes or within a safe and well-designed interior wood or gas burning device, (ii) chimeneas, and (iii) firepits or outdoor fireplaces as approved in writing by the Design Review Board or Declarant

Section 7.7 **No Unsightliness.** No unsightliness shall be permitted outside the House Units and Common Areas. Without limiting the generality of the foregoing:

- (a) All unsightly structures, facilities, equipment, objects, and conditions shall be kept within an enclosed structure at all times;
- (b) Refuse, garbage, and trash shall be kept in a covered container at all times;
- (c) Service areas and facilities for hanging, drying, or airing clothing or fabrics shall be kept within an enclosed structure;
- (d) No lumber, metals, bulk materials, scrap, refuse or trash, or unused items of any kind shall be kept, stored, or allowed to accumulate on any Lot.

Section 7.8 **Lights, Sounds, Odors.** All exterior lighting of improvements and grounds on the House Units (other than a House Unit owned by the Declarant) and Common Elements will be subject to regulation by the Design Review Board. No light shall be emitted from any House Unit that is unreasonably bright, causes unreasonable glare or shines directly onto an adjacent House Unit; no sound shall be emitted from any House Unit which is unreasonably loud or annoying, and no odor shall be emitted from any House Unit that is noxious or offensive to others.

Section 7.9 **Restrictions on Animals.** No animals of any kind shall be raised, bred, or kept on any Lot, except (i) domestic cats, dogs, or other household pets permitted by the Association so long as they are (A) maintained per this Declaration, the Rules and Regulations and any other Association Documents, and (B) not a nuisance or kept, bred, or maintained for any commercial purposes. No person shall allow any dog owned or controlled by such Owner to roam within the Project unattended. Dogs shall either be contained indoors or enclosed in an invisible fence or shield constructed for the purpose of confinement in a manner approved by the Design Review Board. At all other times, dogs shall be on a leash and under the direct control and supervision of their owners.

Section 7.10 **Restrictions on Signs.** No signs or advertising devices of any nature shall be erected or maintained on any Unit in such a manner as to be visible outside any other Unit except signs approved by the Design Review Board, signs required by applicable law or legal proceedings), signs showing the name of the owners of the Unit (as approved by the Design Review Board), temporary signs to caution or warn of danger, or Association signs necessary or desirable to give directions or advise on Rules or Regulations. "For Sale", "For Lease", "Open House" and similar marketing type signs are specifically prohibited. This Section 7.10 shall not apply to Dwelling Units owned by the Declarant or Declarant's owners.

Section 7.11 **Landscape Restriction.** **No tree or bush on any House Unit (other than a House Unit owned by the Declarant) may be cut, trimmed, or removed without the prior written approval of the Design Review Board or Declarant. Vegetation on all House Units must be maintained to minimize erosion and encourage the growth of ground cover, and all**

tree and shrub planting must be consistent with the landscaping plan approved by the Design Review Board.

Section 7.12 **No Mining and Drilling.** No Owner of a House Unit or Lot Unit may engage in the mining, quarrying, drilling, boring, or exploring for or removing oil, gas, or other hydrocarbons, minerals, rocks, stones, gravel, or earth from any portion of the Property. Notwithstanding the preceding sentence, Declarant may remove rocks, stones, gravel, and earth from any portion of the Property owned by Declarant.

Section 7.13 **No Fireworks.** No fireworks shall be permitted on any portion of the Property.

Section 7.14. **No Flagpoles.** No flagpoles shall be erected or constructed on any House Unit, except for flagpoles not exceeding six feet in length mounted on the main residential structure.

Section 7.15 **Compliance with Law.** In addition to the compliance requirements set forth elsewhere herein, no Lot or Dwelling Unit shall be used, occupied, altered, changed, improved, or repaired except in compliance with all present and future laws, rules, requirements, orders, directions, ordinances and regulations of the United States of America, State of Texas, County of Palo Pinto, the Authority, and any other municipal, governmental, or lawful authority whatsoever, affecting the Property or the improvements thereon or any part thereof, and of all their departments, bureaus and officials. Furthermore, no Owner shall release, discharge, or emit from the Property or dispose of, or allow any person under such Owner's control or direction to release, discharge or emit from the Property or dispose of, any material on, above, or under the Property, that is designated as a pollutant or contaminant under any federal, state or local law, regulation or ordinance.

ARTICLE VIII

DESIGN REVIEW

Section 8.1. **Purpose.** To preserve the natural beauty of the Project and its setting, to maintain the Project as a pleasant and desirable environment, to establish and preserve a harmonious design for the community, and to protect and promote the value of Project, all exterior design, landscaping, and use of all new development and additions, changes or alterations to existing use, landscaping, and exterior design and development of any House Unit shall be subject to design review. This Article VIII shall not apply to any House Units or other portion of the Property owned by the Declarant. The Design Review Board shall have no right to oversee or regulate any aspect of the construction of improvements within portions of the Property owned by the Declarant.

Section 8.2 **Objective.** The design review process shall be conducted with the following objectives in mind for the Project:

(a) Preventing excessive or unsightly grading, indiscriminate earthmoving, or clearing of property, removal of trees and vegetation which could disrupt a natural watercourse or scar natural land forms;

(b) Ensuring that the location and configuration of structures are visually harmonious with the terrain and vegetation of the land and with surrounding lots, structures, and open space;

(c) Ensuring that the architectural design of structures and their materials and colors are visually harmonious with the Project's overall appearance, history, and cultural heritage, with surrounding development, with natural landforms and native vegetation, and adheres to or complies with development plans, zoning requirements, and other restrictions officially approved by Declarant, the Association, or any government or public authority, if any, for the sites in which the structures are proposed to be located; and

(d) Ensuring that plans for the landscaping of open spaces provide visually pleasing settings for structures on such Dwelling Units and on adjoining and nearby Dwelling Units and blend harmoniously with the natural landscape.

Section 8.3 Design Review Board.

(a) The Association shall establish a Design Review Board, which shall consist of three members, all of which shall be appointed by the Board of Directors. The regular term of office for each member shall be one year, coinciding with the fiscal year of the Association. Any such member may be removed with or without cause by the Board of Directors at any time by written notice to such appointee. A successor or successors appointed by the Board of Directors to fill such vacancy shall serve the remainder of the term of the former member.

(b) The Board of Directors shall select the chairperson and vice-chairperson from among the members of the Design Review Board. The chairperson or, in his or her absence, the vice-chairperson shall be the presiding officer of its meetings. In the absence of both the chairperson and the vice-chairperson from a meeting, the member present shall serve as acting chairperson at such meeting. All business of the Design Review Board shall be conducted at meetings that are open to Members of the Association. All meetings shall be held at the offices of the Association or of Declarant unless temporarily changed to another location by the members of the Design Review Board. Two members shall constitute a quorum for the transaction of business, and in the absence of a quorum, the remaining member shall adjourn the meeting to a later time or date. In the absence of all members, any representative of Declarant may adjourn the meeting to a later time or date. The affirmative vote of a majority of the members of the Design Review Board present at any meeting shall constitute the action of the Design Review Board on any matter before it. The Design Review Board shall operate by such rules of procedure as it may adopt; said rules shall be filed with the Association and maintained in the records of the Association and shall be subject to inspection by Members.

(c) The Design Review Board is hereby authorized to retain the services of one or more consulting architects, landscape architects, or urban designers, who may also be members of the Design Review Board and entitled to vote in such capacity, and who need not be licensed to

practice in the State of Texas to advise and assist the Design Review Board in performing the design review functions prescribed in this Article VIII and carrying out the provisions of this Article. Such consultants may be retained at the Association's expense to advise the Design Review Board on a single project, on several projects, or on a continuing basis. Consultants who are also members of the Design Review Board shall disclose to the Design Review Board their interests in any project or matter before the board promptly after such project comes up for board consideration.

ARTICLE IX

INSURANCE

Section 9.1 Insurance on the Lots and Dwelling Units. Each Owner shall be required to obtain and maintain in force insurance coverage on his Dwelling Unit and other Lot improvements by a reputable insurance company acceptable to the Association and licensed to do business in the State of Texas in an amount equal to the replacement cost of the Dwelling Unit, affording protection against loss or damage from fire or other hazards covered by the standard extended coverage endorsement. Upon request, each Owner shall be required to furnish annually to the Association, and to the complete satisfaction of the Board, proof of such insurance coverage to the Association. Should an Owner fail to provide adequate proof of insurance, the Association shall have the authority to purchase such insurance coverage as herein described, and premiums for any insurance obtained by the Association on individual Dwelling Units shall not be a part of the Annual Assessments, but shall be a debt owed by the Owner of said Dwelling Unit and shall be a Special Individual Assessment payable by said Owner and collectible as such as herein provided. Liability and personal property insurance for Lots and the contents of Dwelling Units shall also be the responsibility of and the expense of such individual Owners.

In the event of damage or destruction of a Dwelling Unit, the Owner shall promptly commence to repair or rebuild such Dwelling Unit to its former condition and shall diligently and continuously pursue such repair to rebuild to its completion. All such work shall be performed by a contractor and subcontractors approved by the Association. All work must be performed and completed in a good and workmanlike condition.

Section 9.2 Association Insurance. The Association may insure any property, whether real or personal, owned by the Association against loss or damage by fire and such other hazards as the Association deems desirable, with the Association as the owner and beneficiary of such insurance.

Section 9.3 Liability and Fidelity Insurance. The Association, at its option, may obtain through the Board of Directors or its duly authorized agent a policy of fidelity coverage to protect against dishonest acts on the part of officers, trustees, and employees of the Association and all others who handle or who are responsible for handling funds of the Association. Such fidelity

bonds shall be of a kind and in an amount the Association deems necessary for the protection of the Owners.

Section 9.4 Insurance Premiums. Premiums for all insurance authorized by the Board of Directors shall be a common expense of the Association to be included in the Assessments.

Section 9.5 Replacement or Repair of Property. In the event of damage to or destruction of any part of the Common Area improvements and fixtures, the Association shall repair or replace same from the insurance proceeds available. If such insurance proceeds are insufficient to cover the costs of repair or replacement of the property damaged or destroyed, the Association may make a Special Assessment against all Owners to cover the additional costs of repair or replacement not covered by the insurance proceeds, in addition to any other Special Assessments made against such Owners.

ARTICLE X

MORTGAGEE PROTECTIONS

Section 10.1 Notice to First Mortgagees. Upon written request, Mortgagees shall be entitled to:

- (a) Inspect the books and records of the Association during normal business hours;
- (b) Receive an annual financial statement of the Association within one hundred twenty (120) days following the end of any fiscal year, and
- (c) Receive notice of any default in the performance by an individual Owner of any obligation under this Declaration, the Bylaws, or Articles of Organization of the Association which is not cured within sixty (60) days.

Section 10.2 Insurance or Condemnation Proceeds. No provision of this Declaration, the Bylaws, or Articles of Organization of the Association shall be construed as giving the Owner or other party priority over any rights of the Mortgagee according to its mortgage in the case of a distribution to such Owner of insurance proceeds or condemnation awards for losses to or taking of Lots and improvements.

ARTICLE XI

GENERAL PROVISIONS

Section 11.1 Leases. Any lease agreement between an Owner and a lessee shall provide that the terms of the lease shall be subject in all respects to the provisions of this Declaration, the Bylaws, and the Articles of Organization and that failure by the lessee to comply with the terms of such documents shall be a default under the lease. All leases shall be in writing **and be for a term of not less than one (1) year** (unless approved in writing for a lesser term by the Board or Declarant), and the Owner shall furnish the Board with a copy of same. During the time a Dwelling

Unit is leased or occupied by others, the Owner shall not have the right to use the garage or any other portion of the Lot or Dwelling Unit, except as a guest of another Owner or of the lessee, or as a landlord to enforce its rights (including access to the Dwelling Unit) as landlord according to Chapter 92 of the Texas Property Code. An Owner (other than the Declarant) intending to accept a bona fide offer to lease his or her Dwelling Unit or any interest therein shall give to the Board of Directors written notice of his or her intention to execute such lease together with the name and address of the intended lessee, an executed copy of the lease and other information as the Board of Directors may reasonably require. Every lease shall contain a clause (i) informing the tenant that the lease and the occupancy of the Dwelling Unit are subject to this Declaration and (ii) prohibiting assignment and subletting without the prior consent of the Board of Directors. Notwithstanding the foregoing, if the Dwelling Unit is owned by the Declarant, the Declarant may lease such Dwelling Unit on any terms determined by the Declarant without the consent of the Members or Association. The Declarant is not required to give the Board of Directors any notice of the lease of the Dwelling Unit owned by the Declarant. Any lease which is not authorized according to the terms of this Declaration shall be void unless subsequently approved by the Association.

Section 11.2 Condemnation. If all or any part of the Common Area is taken or threatened to be taken by eminent domain or by power like eminent domain (whether permanent or temporary), the Association shall be entitled to participate in the proceeding's incident thereto. The expense of participation in such proceedings by the Association shall be borne by the Association. The Association is specifically authorized to obtain and pay for such assistance from attorneys, appraisers, architects, engineers, expert witnesses, and other persons as the Association, at its discretion, deems necessary or advisable to aid or advise it in matters relating to such proceedings.

Section 11.3. Duration. The Covenants, Conditions, and Restrictions of this Declaration shall run with and bind the land subject to this Declaration and shall inure to the benefit of and be enforceable by the Association and/or the Owner of any land subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a term of twenty (20) years from the date that this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years unless an instrument signed by the Members entitled to cast a majority of the votes of the Association has been recorded, agreeing to abolish said Covenants, Conditions, and Restrictions in whole or in part; provided, however, that no such agreements to change shall be effective unless made and recorded ninety (90) days in advance of the effective date of such change.

Section 11.4 Amendments. The Declarant, at any time and without the joinder of any person, may amend this Declaration to add and/or describe additional Plats, properties, lots or Dwelling Units, as determined in the sole discretion of the Declarant. The Declarant, at any time, and without the joinder of any person, may also amend this Declaration to correct clerical or administrative mistakes or scrivener's errors. Except as outlined in the preceding two sentences, any provision contained in this Declaration may be amended or repealed only by the affirmative vote, consent, or agreement of the Declarant (so long as it owns one or more of the Dwelling Units

or any property designated on the then current recorded plat as UA-1 or UA-2) and the Association. Any such amendment or repeal shall be evidenced by a written instrument or instruments specifying the amendment or the repeal, executed by the Declarant and recorded in the Office of the County Clerk and Recorder of Palo Pinto County, Texas. No amendment may remove, revoke, or modify any right or privilege of the Declarant without the written consent of the Declarant, as the case may be, or the assignee of such right or privilege.

Section 11.5 **Enforcement.** The Association may, as a common expense, enforce these Covenants, Conditions, and Restrictions by any proceeding at law or in equity against any person or persons violating or attempting to violate them, or to recover damages, or to enforce any lien created by these covenants; and failure by the Association or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The prevailing party in any such litigation shall be entitled to recover reasonable attorneys' fees and costs of suit.

Section 11.6 **Severability.** Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provision, which shall remain in full force and effect.

Section 11.7 **Headings.** The headings contained in this Declaration are for reference purposes only and shall not in any way affect the meaning or interpretation of this Declaration.

Section 11.8 **Notices.** Any notice required to be given to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly delivered when deposited in the United States mail, postage prepaid, addressed to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing.

Section 11.9 **Disputes.** Matters of dispute or disagreement between Owners concerning the interpretation or application of the provisions of this Declaration or the Bylaws shall be determined by the Board of Directors, whose determination shall be final and binding upon all Owners.

Section 11.10 **Construction.** The singular, wherever used herein, shall be construed to mean the plural, when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or individuals, males or females, shall in all cases be assumed as though in each case fully expressed.

ARTICLE XII

ENFORCEMENT AND REMEDIES

Section 12.1 **Enforcement.**

(a) Each provision of this Declaration enforceable against the Association or the Common Elements shall be enforceable by the Declarant or any Owner by a proceeding for a prohibitive or mandatory injunction.

(b) Each provision of this Declaration enforceable against an Owner or Dwelling Unit shall be enforceable by Declarant or the Association by a proceeding for a prohibitive or mandatory injunction or by suit or action to recover damages, or in the discretion of the Association, for so long as any Owner fails to comply with any such provisions, by exclusion of such Owner and/or such Owner's lessees and guests from the use of any Common Elements and the participation in any function.

Section 12.2 Remedies. In addition, if an Owner fails to perform or observe any covenant or condition on such Owner's part to be performed or observed under this Declaration or any other Association Document, the Association shall have the following rights and remedies:

(a) The Association may, but is not obligated to, cure such failure to comply at the Owner's, or other defaulting parties, sole cost and expense. If the Association cures any such failure to comply, such Owner shall pay to the Association the amount of all costs incurred by the Association in connection therewith within 30 days after the Owner receives a written invoice from the Association;

(b) Subject to Chapter 209 of the Texas Property Code, the Association may suspend the Owner's right to vote;

(c) In addition to the fines provided in the Association Documents, and subject to Chapter 209 of the Texas Property Code, the Association may fine the Owner an amount not to exceed \$1,000.00 for each violation. The Association may, in its sole and exclusive discretion, annually adjust for inflation the maximum amount of such fine. Each day any violation continues or is permitted to continue shall constitute a separate offense for purposes of levying such fine. The Owner shall pay any such fine to the Association within 30 days after the Owner receives written notice thereof.

(d) The Association shall have all other rights and remedies available to it under Association Documents, at law or in equity. All rights and remedies of the Association shall be cumulative, and the exercise of one right or remedy shall not preclude the exercise of any other right or remedy.

ARTICLE XIII

MISCELLANEOUS

Section 13.1 Interpretation of the Declaration. The Association, by and through its Board of Directors shall have the exclusive right to construe and interpret the provisions of this Declaration. In the absence of any adjudication to the contrary by a court of competent jurisdiction, the Association's construction or interpretation of the provisions hereof shall be final, conclusive,

and binding as to all persons and property benefited or bound by the covenants and the provisions hereof.

Section 13.2 Attorney Fees. In the event of any dispute under or concerning this Declaration or any other Association Document, the prevailing party shall be entitled to recover from the non-prevailing party all of its costs and expenses in connection therewith, including but not limited to reasonable attorneys' fees and disbursements.

Section 13.3 Limited Liability.

(a) No officer or director of the Association who was appointed by the Declarant shall be personally liable to the Association or any member for any injury, damage, loss, cost, or expenses suffered or incurred because of any act or omission of such officer or director, unless a court of competent jurisdiction finds that such officer or director breached a fiduciary duty that such officer or director owed to the Association or a Member.

(b) No officer or director of the Association who was not appointed by the Declarant and no employee, agent, or committee member of the Association shall be personally liable to the Association or a member for any injury, damage, loss, cost, or expense suffered or incurred because of any act or omission of such officer, director, employee, agent, or committee member unless a court of competent jurisdiction finds that the act or omission of such officer, director, employee, agent, or committee member was wanton and willful.

(c) The Association shall indemnify and hold harmless each present or former officer, director, employee, agent, or committee member against all claims, suits, proceedings, injuries, damages, losses, costs, and expenses, including, but not limited to, attorneys' fees and disbursements asserted against or incurred by any such present or former officer, director, employee, agent, or committee member to the fullest extent permitted by law; provided, however, that in no event shall the Association indemnify or hold harmless any such officer, director, employee, agent, or committee member to the extent that he or she is personally liable for an act or omission under Section 13.3(a) or Section 13.3(b) above.

Section 13.4 Special Declarant Rights The Declarant may add additional buildings and Dwelling Units from time to time. Declarant hereby reserves for itself and its successors and assigns the following rights ("Special Declarant Rights"), which rights may be exercised at any time during the term of this declaration, including but not limited to:

- (a) The right, at any time, and without the joinder of any other person, to add, construct, and/or describe additional plats, buildings, Housing Units and Lots, as determined in the sole discretion of Declarant;
- (b) the right to construct and/or complete any improvements shown on the Plat, and the right to construct any improvement that Declarant deems necessary or advisable on any Common Area and Common Facilities, restrooms, grill areas, firepits, sand beaches, playground areas, volleyball courts, hiking and bicycle trails, parking areas, fences, lighting, hand rails, streets, and access roads, paths, walkways, sidewalks and trails;

observation towers; centralized mailbox facility; gardens, sprinkler systems and other landscaping changes, improvements (including without limitation, removal of trees and other vegetation) and appurtenances; water lines; stock ponds and water tanks; fences, including fences; drainage facilities; monuments; recreational areas and facilities; parking areas; ducts, shafts and flues; conduit installation areas; storage facilities for supplies and equipment; earth walls, retaining walls; lighting; and signage;

- (c) the right to construct and maintain temporary sales offices, booths or other structures used for sales or promotional purposes, management offices and models on any Common Element or any property owned by Declarant. Declarant also reserves for itself and its successors and assigns the right to construct and maintain signs advertising Frontier Shores on any Common Element or any property owned by the Declarant. The number, size and location of any such sales structures and signage, management offices or models or the relocation thereof shall be determined by the Declarant;
- (d) the right for Declarant, its licensees, invitees, lessees and successors and assigns to use all streets, paths, and roadways throughout the Property;
- (e) the right for Declarant and its guests, including any prospective purchaser of a Lot within the Project, to use and enjoy any of the Common Elements free of charge to Declarant or such guests, but only in connection with Declarant's marketing and sales efforts within the Project.
- (f) Subject to the terms and conditions of below but notwithstanding anything else to the contrary contained in this Declaration or in any other Association Document, Declarant shall have the exclusive right to appoint and remove all of the officers and directors of the Board during the Declarant Control Period. After the expiration of the Declarant Control Period, the Board of Directors shall elect the officers. The Board of Directors and officers shall take office upon election.
- (g) Declarant may voluntarily surrender its right to appoint and remove directors and/or officers prior to the expiration of the Declarant Control Period.
- (h) Upon the expiration of the Declarant Control Period and so long as Declarant owns at least one Unit, the Declarant shall retain the right to elect one director and the remaining directors shall be elected by the Members, which remaining directors must be (i) Owners other than the Declarant, or (ii) a designated representative of Owners other than the Declarant.
- (i) Right of First Refusal on Sale of Dwelling Unit. In the event any Owner, or a transferee or assignee of an Owner (the "Selling Owner"), voluntarily proposes to sell or voluntarily enters into an agreement to sell all or any part of its Dwelling Unit, except in the case of a Permitted Transfer, the following provisions shall become applicable:

- a. Notice: The Selling Owner shall first give written notice (the "Option Notice") to the Declarant which notice shall identify the prospective purchaser and shall set forth in reasonable detail the terms and conditions upon which such sale is proposed to be made, and shall be accompanied by a copy of the bona fide offer and/or real estate contract. The Declarant shall have the right and option to purchase that portion of the Dwelling Unit of the Selling Owner proposed to be sold upon the same terms and conditions as contained in the bona fide offer and/or real estate contract.
- b. Interest Covered by Option: The option granted herein to the Declarant must be exercised as to the entire interest being offered by the Selling Owner (the "Offered Interest"), unless the Selling Owner consents to a sale or conveyance of less than the entire interest.
- c. Exercise of Option: The Declarant if it elects to exercise the option set forth herein, shall, within fifteen (15) days after receipt of the Option Notice, give written notice to the Selling Owner (the "Acceptance Notice"), signed by the Declarant evidencing its agreement to purchase the Offered Interest.
- d. Closing of Sale: Unless otherwise agreed to by the Selling Owner and the Declarant the closing on the sale of the Offered Interest to the Declarant shall take place at the principal place of business of the Declarant upon the later of (i) the date set forth in the bona-fide offer or real estate contract, or (ii) thirty (30) days after service of the Acceptance Notice.
- e. Failure to Exercise Option: If the option is not exercised within the time period set forth in paragraph (c) above, or if the Declarant defaults on its obligation to purchase the Offered Interest, the Selling Owner may sell or convey the Offered Interest within sixty (60) days thereafter to the prospective purchaser named in the Option Notice at a price and on terms no less favorable to the Selling Owner than described in the Option Notice.
- f. Subsequent Transfers: The Selling Owner shall not otherwise sell or transfer the Offered Interest to any person after the termination of said sixty (60) day period without again complying with this Section.
- g. Permitted Transfer: Any reference to "Permitted Transfer" shall mean any transfer of a Unit by an Owner to Family Members, Family Trusts or Family Entities.
- h. Family Members: Any reference to "Family Members" shall mean an Owner's spouse, all children or more remote descendants (either natural or adoptive), all sons-in-law and daughters-in-law, or any trust of which one or more of such persons are current beneficiaries.
- i. Family Trusts: Any reference to "Family Trusts" shall mean any trusts of which the primary beneficiaries are one or more Family Members.
- j. Family Entities: Any reference to "Family Entities" shall mean any corporation(s), partnership(s), trust(s), limited liability company(ies) or other business entity(ies) which are controlled by Family Members. Control shall be

deemed to exist if, more than FIFTY PERCENT (50%) of the beneficial or voting ownership interest in such entity or entities is owned by Family Members.

(j) Annexation of Property to this Declaration:

a. Prior to the Expiration of the Declarant Control Period. Prior to the expiration of the Declarant Control Period, Declarant shall have the unilateral right, privilege, and option, in its sole discretion, to subject any additional property to the provisions of this Declaration and to the administration of the Association by filing an amendment to this Declaration in Palo Pinto County, Texas. Such amendment shall not require the consent of any of the Owners or of any mortgagee of any Owner or the Association but shall require the consent of the owner of such additional property, if the owner of such additional property is other than Declarant. Any such annexation shall be effective upon the filing of record of such amendment unless otherwise provided therein. Declarant shall have the right, in its sole discretion, to transfer to any other person the right, privilege, and option to annex additional property which is reserved herein to Declarant, provided that such transfer is memorialized in an amendment to the Declaration.

b. Following the Expiration of the Declarant Control Period. Following the expiration of the Declarant Control Period, the Association may not subject any property to the provisions of this Declaration and the jurisdiction of the Association without: (a) the affirmative votes of a majority of the Class "A" Members of the Association either in writing or present, in person or by proxy, at a meeting duly called for such purpose, (b) the consent of the owner of such property, and (c) the consent of Declarant so long as Declarant owns any portion of the Property.

ARTICLE XIV

CONSTRUCTION OF IMPROVEMENTS AND USE OF HOUSE UNITS

Section 14.1 Approval of Construction Activities. Each Owner of a Lot or a House Unit upon a casualty to the improvements as described below, shall have the right to construct (or reconstruct) a residence on such House Unit, and each Owner of a House Unit shall have the right to make further improvements to a House Unit; provided, however, unless approved in writing by Declarant, Owner must use a builder and/or general contractor approved by Declarant for the construction (or reconstruction) of the residence on the House Unit, which builder and/or general contractor may be an affiliate of Declarant, (ii) if no affiliate of Declarant is available to construct (or reconstruct) the residence, the Owner shall use a builder and/or general contractor approved by Declarant, and (iii) no building or other improvements, including without limitation, any wall, driveway, paving, walk, deck, patio, canopy, awning, roof, signage, water or waste-water facility, exterior lighting facility or landscaping, shall be constructed, erected, placed or installed upon any House Unit, and no change or alteration of the materials or appearance (including color) of the exterior of a building or other structure shall be made and no change in the final grade of any House Unit shall be performed, and no other construction activity shall be initiated on any House Unit, until the approval of the Design Review Board and any governmental or quasigovernmental

entity having jurisdiction over the Property has been obtained by such Owner. Notwithstanding the preceding sentence, Declarant need not obtain the approval of the Design Review Board for any alterations or improvements made on a House Unit owned by the Declarant. Without limiting the generality of the first sentence of this Section 14.1, each Owner (other than Declarant) is hereby advised and acknowledges that, in connection with any construction or reconstruction of a residence on its House Unit, it must comply with the applicable provisions of the Association Documents, which documents include, among other things, the following: (i) procedures and necessary fees for making application to the Design Review Board for design review approval, including the documents to be submitted and the time limits in which the Design Review Board must act to approve or disapprove any submission; (ii) time limitations for the completion, within specified periods after approval, of the improvements for which approval is required under such documents; (iii) any minimum and maximum square foot areas of living space that may be developed on any House Unit; (iv) landscaping regulations, limitations pertaining to the use of plants indigenous to the locale and other practices benefiting the protection of the environment, aesthetics and architectural harmony of the Property; and (v) instructions and/or Rules and Regulations for the construction, reconstruction, refinishing or alteration of any improvement, including any plan to excavate, fill or make any other temporary or permanent change in the natural or existing surface contour or drainage or any installation of utility lines or conduits on the Property, addressing matters such as grading, transformers, meters, fire protection, loading areas, water storage, trash and debris removal, parking areas, outside storage, sanitary facilities, and conduct and behavior of builders, subcontractors and Owner's representatives on the Property at any time.

Section 14.2 Residential Use. The House Units shall be used for residential purposes only. Unless approved by Declarant or the Design Review Board no building or other structure shall be erected, altered, placed or permitted to remain on any Lot other than one (I) detached single-family residence per Lot, and private garages which shall be approved in writing by the Design Review Board. No portion of any House Unit shall be used as a residence or for living or sleeping purposes other than a room designed for living or sleeping in a completed structure as agreed to in writing by the Design Review Board. No room in any House Unit shall be used for living or sleeping purposes by more persons than it was designed to accommodate comfortably.

Section 14.3 Garage. Each House Unit must have a garage which conforms in design and materials with the main structure.

Section 14.4 Setback Restrictions. No building structure within a House Lot shall violate the building setback lines set forth on the Plat. Declarant may, from time to time, by appropriate instrument in writing and filed for record in Palo Pinto County, Texas, amend and alter the restrictions set out in this paragraph relative to the locations of improvements to be erected on the Lots.

Section 14.5 No Fences. No fences, walls, or other barriers within a House Unit or Lot shall be permitted without the prior written approval of the Design Review Board or Declarant

Section 14.6 Obstruction of Views. [Intentionally Omitted]

Section 14.7 Roofing Materials. All roofing materials of a House Unit must be approved in advance by the Design Review Board.

Section 14.8 Driveway. The Design Review Board shall have the right to impose limitations on driveway design of a House Unit, including materials, aprons, location, and point of contact with dedicated roads, streets, or private driveways in the subdivision. In some cases, the driveway must be constructed over a ditch and culvert. The Design Review Board must approve all such driveways, and exposed culverts must be finished with an attractive appearance as determined by the Design Review Board. Driveways within a Lot shall be constructed so that they allow for the surface water drainage along the curb line of the street to continue without interruption or change in direction of flow.

Section 14.9 Drainage. There shall be no interference with the established drainage patterns over any of the Property, except by Declarant, unless adequate provision is made for proper drainage as approved by the Design Review Board.

Section 14.10 Construction Activities. This Declaration shall not be construed so as to unreasonably interfere with or prevent normal construction activities during the construction of improvements by an Owner (including Declarant) upon any Lot within the Property. Specifically, no such construction activities shall be deemed to constitute a nuisance or a violation of this Declaration by reason of noise, dust, presence of vehicles or construction machinery or similar activities, provided that such construction is pursued to completion with reasonable diligence and conforms to usual construction practices in the area. In the event that construction upon any Lot does not conform to usual practices in the area as determined by the Design Review Board in its sole good faith judgment, the Association shall have the authority to seek an injunction to stop such construction. In addition, if during the course of construction upon any Lot there is excessive accumulation of debris of any kind which would render the Lot or any portion thereof unsanitary, unsightly, offensive, or detrimental to it or any other portion of the Property, then the Design Review Board may contract for or cause such debris to be removed, and the Owner of the Lot shall be liable for all expenses incurred in connection therewith.

IN WITNESS WHEREOF, this Declaration has been executed as of (although not necessary on) the 15th day of April, 2026.

DECLARANT:

FRONTIER SHORES DEVELOPMENT, LLC.,
a Texas limited liability company

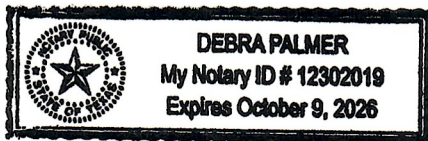
By: [Signature]

Name: Grant May

Title: Manager

STATE OF TEXAS §
 §
COUNTY OF PALO PINTO §

This instrument was acknowledged before me on 4/15, 2026, by Grant May, the Manager of Frontier Shores Development, LLC, a Texas limited liability company, in his capacity as the Manager.



[Signature]
Notary Public, State of Texas

V 4-14-2026

Cell	Bearing	Distance	Radius	Arc	Delta
1	N 10° 46' 22" E	11.00	11.00	11.00	11.00
2	N 10° 46' 22" E	11.00	11.00	11.00	11.00
3	N 10° 46' 22" E	11.00	11.00	11.00	11.00
4	N 10° 46' 22" E	11.00	11.00	11.00	11.00
5	N 10° 46' 22" E	11.00	11.00	11.00	11.00
6	N 10° 46' 22" E	11.00	11.00	11.00	11.00
7	N 10° 46' 22" E	11.00	11.00	11.00	11.00
8	N 10° 46' 22" E	11.00	11.00	11.00	11.00
9	N 10° 46' 22" E	11.00	11.00	11.00	11.00
10	N 10° 46' 22" E	11.00	11.00	11.00	11.00
11	N 10° 46' 22" E	11.00	11.00	11.00	11.00
12	N 10° 46' 22" E	11.00	11.00	11.00	11.00
13	N 10° 46' 22" E	11.00	11.00	11.00	11.00
14	N 10° 46' 22" E	11.00	11.00	11.00	11.00
15	N 10° 46' 22" E	11.00	11.00	11.00	11.00
16	N 10° 46' 22" E	11.00	11.00	11.00	11.00
17	N 10° 46' 22" E	11.00	11.00	11.00	11.00
18	N 10° 46' 22" E	11.00	11.00	11.00	11.00
19	N 10° 46' 22" E	11.00	11.00	11.00	11.00
20	N 10° 46' 22" E	11.00	11.00	11.00	11.00
21	N 10° 46' 22" E	11.00	11.00	11.00	11.00
22	N 10° 46' 22" E	11.00	11.00	11.00	11.00
23	N 10° 46' 22" E	11.00	11.00	11.00	11.00
24	N 10° 46' 22" E	11.00	11.00	11.00	11.00
25	N 10° 46' 22" E	11.00	11.00	11.00	11.00
26	N 10° 46' 22" E	11.00	11.00	11.00	11.00
27	N 10° 46' 22" E	11.00	11.00	11.00	11.00
28	N 10° 46' 22" E	11.00	11.00	11.00	11.00
29	N 10° 46' 22" E	11.00	11.00	11.00	11.00
30	N 10° 46' 22" E	11.00	11.00	11.00	11.00

Cell	Bearing	Distance	Radius	Arc	Delta
1	N 10° 46' 22" E	11.00	11.00	11.00	11.00
2	N 10° 46' 22" E	11.00	11.00	11.00	11.00
3	N 10° 46' 22" E	11.00	11.00	11.00	11.00
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5	N 10° 46' 22" E	11.00	11.00	11.00	11.00
6	N 10° 46' 22" E	11.00	11.00	11.00	11.00
7	N 10° 46' 22" E	11.00	11.00	11.00	11.00
8	N 10° 46' 22" E	11.00	11.00	11.00	11.00
9	N 10° 46' 22" E	11.00	11.00	11.00	11.00
10	N 10° 46' 22" E	11.00	11.00	11.00	11.00
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19	N 10° 46' 22" E	11.00	11.00	11.00	11.00
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21	N 10° 46' 22" E	11.00	11.00	11.00	11.00
22	N 10° 46' 22" E	11.00	11.00	11.00	11.00
23	N 10° 46' 22" E	11.00	11.00	11.00	11.00
24	N 10° 46' 22" E	11.00	11.00	11.00	11.00
25	N 10° 46' 22" E	11.00	11.00	11.00	11.00
26	N 10° 46' 22" E	11.00	11.00	11.00	11.00
27	N 10° 46' 22" E	11.00	11.00	11.00	11.00
28	N 10° 46' 22" E	11.00	11.00	11.00	11.00
29	N 10° 46' 22" E	11.00	11.00	11.00	11.00
30	N 10° 46' 22" E	11.00	11.00	11.00	11.00

Surveyor's Notes:

No abstract of title or title commitment was provided to this surveyor. A research performed by this surveyor was made only for the purpose of determining the boundary of this property and of the adjacent parcels. Record documents other than those shown on this survey may exist and encumber this property.

Beings, Distances and/or Areas derived from GNSS observations performed by Texas Surveying & Engineering, Inc. and reflect Station Adjustment NAD 83 1983 Texas State Plane Coordinate System North Central Zone 4202 using as surface adjustment factor of 100073837 according to the Texas State Plane Coordinate System as recorded in Volume 1097 Page 466 O.P.R.P.C.T.

Please consult all applicable surveying statutes regarding rules & regulations that may affect construction on the property. The Surveyor's Office is not responsible for the accuracy of the survey. The Surveyor's Office is not responsible for the accuracy of the survey. The Surveyor's Office is not responsible for the accuracy of the survey.

All subdivision corners along the Possum Kingdom Lake 1000 Elevation Contour are not spikes, and all other corners are not 1/2" iron rods with red plastic caps stamped "TEXAS SURVEYING". Unless otherwise noted, all corners will be set upon completion of mass development and/or construction activities.

Flood Hazard Note:

This tract appears to be located within Special Flood Hazard areas, Zone "AE". Base Flood Elevation (BFE) is 1000 feet. Flood Hazard areas are shown on the map. Flood Hazard areas are shown on the map. Flood Hazard areas are shown on the map.

Utility Notes:

Underground utilities were not located during this survey. Callers should verify locations before excavation or construction. No permanent buildings or structures shall be constructed over any existing or planned water, sanitary sewer, gas, electric, or other utility easement of any type.

Water & Wastewater Notes:

No structure in this subdivision shall be dropped into connection to an individual water supply or a state approved community water system. No structure in this subdivision shall be dropped into connection to an individual water supply or a state approved community water system.

Palo Pinto County Notes:

No construction and/or development within the subdivision may begin until all Palo Pinto County Development Permit Requirements have been satisfied.

In order to guarantee safe use of the subdivision and preserve the conditions of public easements, no driveway constructed on any lot within the subdivision shall be permitted access onto a public dedicated roadway unless the driveway has been approved by the appropriate local governmental authority or the Texas Department of Transportation.

Special Notice: Nothing in this subdivision by itself shall constitute a violation of State Law and is subject to laws withstanding of various building permits.

No portion of this property shall be subject to the Eminent Domain (E.D.) of any Texas or City.

This plat does not modify or alter any existing easements or restrictions applicable to the property.

Frontier Shores, Ltd. 1287, L.F.

No more than one single family detached dwelling shall be located on each lot.

Subdivision Notes:

Notice to the purchaser that all roads and/or easements are Private. The purchaser is advised that the property is subject to the provisions of the Texas Property Code, which provide that the owner and/or servient owner shall be responsible for the maintenance of the road and/or easement. The purchaser is advised that the property is subject to the provisions of the Texas Property Code, which provide that the owner and/or servient owner shall be responsible for the maintenance of the road and/or easement.

Land designated as "unimproved" is shown on the plat. The purchaser is advised that the property is subject to the provisions of the Texas Property Code, which provide that the owner and/or servient owner shall be responsible for the maintenance of the road and/or easement.

County Approval Statement

The Commissioners' Court of Palo Pinto County, Texas, on the 9th day of March, 2026, voted affirmatively to adopt this plat and approve it for filing of record.

County Judge

Commissioner Precinct 1

Commissioner Precinct 2

Commissioner Precinct 3

Commissioner Precinct 4

State of Texas - County of Palo Pinto

I, Jennifer Fabian, 0-11 Coordinator in and for said county, have reviewed and do hereby approve the road name as shown hereon.

Jennifer Fabian

YMCA of Metropolitan Dallas

Ex. 7A1, Tract 1

Called 78.078 Acres

S. 24° 00' 00" E 100.00'

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Subdivision Description

STATE OF TEXAS

COUNTY OF PALO PINTO

Of a 14.437 acres tract of land out of the FRAYLAN De La GARZA SURVEY, ABSTRACT No. 106, Palo Pinto County, Texas, being all of Lots 1-4, Area 120 B.R.A. COTTAGE SITE LEASES, and a called 10.965 acres tract of land same being M. Patterson's tracts of land as described in Volume 2501, Page 348, Official Public Records, Palo Pinto County, Texas, being further described by notes and bounds as follows:

Beings, Distances and/or Areas derived from GNSS observations performed by Texas Surveying & Engineering, Inc. and reflect Station Adjustment NAD 83 1983 Texas State Plane Coordinate System North Central Zone 4202 using as surface adjustment factor of 100073837 according to the Texas State Plane Coordinate System as recorded in Volume 1097 Page 466 O.P.R.P.C.T.

BEGINNING at a call "X" in concrete 11.700003731 E. 1646227.27' at the northerly common corner of said Lot 4 & 1st St. Area 120, according to the plat as recorded in Volume 10 Page 11, State of Texas, Palo Pinto County, Texas, being the southeast corner of Linley Drive as described in Exhibit "C", N. 4608 (Pg. 1023), as recorded in Volume 1735 Page 446 O.P.R.P.C.T., for the beginning corner of this tract, THENCE GPS Cental Monument No. 11 is called to bear S 72° 02' 00" W 280.71 feet.

THENCE N 42° 04' 06" W 880.61 feet along the west line of said 10.965 acres tract to a found 12" iron rod with plastic cap stamped "PRICE". In the south right of way of Linley Drive for the westerly northwest corner of this tract.

THENCE northeasterly along the south right of way of said Linley Drive as follows: N 31° 42' 22" E 915.15 feet to a set 1/2" iron rod with red plastic cap stamped "TEXAS SURVEYING".

N 20° 00' 53" E 71.37 feet to a set 1/2" iron rod with red plastic cap stamped "TEXAS SURVEYING". Northeasterly along the arc of a non-tangent curve to the left having a radius of 230.06 feet, an arc length of 190.63 feet, and whose chord bears N 03° 23' 03" E 170.35 feet to a set 1/2" iron rod with red plastic cap stamped "TEXAS SURVEYING".

N 24° 14' 40" W 95.95 feet to a found 5/8" iron rod with plastic cap stamped "UNFILED". In the south right of way of Frontier Unit Road as described in Exhibit "C", N. 4607 (Pg. 1022), as recorded in Volume 1097 Page 446 O.P.R.P.C.T., for the northeast corner of this tract.

THENCE along the south right of way of said Frontier Unit Road as follows: N 48° 08' 00" E 94.28 feet to a found map. N 68° 30' 28" E 105.54 feet to a cut "X" in concrete, at the northeast corner of that certain 78.078 acres tract of land described as Tract 1 in Exhibit "A", as recorded in Volume 216 Page 568 O.P.R.P.C.T., for the northeast corner of this tract.

THENCE along the west line of said 78.078 acres tract as follows: S 44° 41' 44" E 959.32 feet to a found 5/8" iron rod with plastic cap stamped "ALCON".

S 87° 20' 31" E 50.74 feet to a point. S 81° 25' 10" E 145.45 feet to a point on the Possum Kingdom Lake 1000 Elevation Contour, for the southeast corner of this tract.

THENCE southerly with the meanderings of said Possum Kingdom Lake 1000 Elevation Contour as follows: S 46° 41' 17" W 23.69 feet to a set spike; S 23° 48' 38" W 34.10 feet to a set spike.

S 46° 05' 40" E 31.50 feet to a set spike; S 67° 42' 23" E 39.20 feet to a set spike; S 59° 05' 10" E 18.90 feet to a set spike; S 31° 51' 51" E 45.70 feet to a set spike.

S 12° 07' 40" E 58.61 feet to a set spike; S 13° 32' 25" E 31.60 feet to a set spike; S 13° 45' 15" W 29.07 feet to a set spike; S 11° 59' 27" W 27.43 feet to a set spike.

S 28° 33' 41" W 40.70 feet to a set spike; S 20° 59' 31" W 36.02 feet to a set spike; S 09° 52' 29" W 40.70 feet to a set spike; S 10° 05' 07" E 34.05 feet to a set spike.

S 34° 23' 26" E 31.05 feet to a set spike; S 04° 35' 21" W 25.53 feet to a set spike; S 15° 07' 42" W 25.07 feet to a set spike; S 09° 14' 15" W 08.88 feet to a set spike.

S 08° 43' 48" W 51.91 feet to a set spike; S 34° 10' 41" W 44.92 feet to a set spike; S 44° 48' 39" W 37.91 feet to a set spike; S 50° 48' 30" W 45.88 feet to a set spike.

S 52° 53' 58" W 67.40 feet to a set spike; S 48° 46' 32" W 35.40 feet to a set spike, for the southwest corner of this tract.

THENCE N 31° 21' 41" W at 3.91 feet past the southwest corner of said Lot SR, continuing for a total distance of 331.31 feet to the POINT OF BEGINNING.

That I, Mich Hamilton, a Registered Professional Land Surveyor of the State of Texas, Registration No. 5865, do hereby certify that the plat hereon was prepared from an actual on the ground survey of the legally described property shown hereon.

Mich Hamilton, Registered Professional Land Surveyor No. 5865
M24224P-REV3 | Field: December 16, 2024 | Paper: February 12, 2026

Know All Men by These Presents

That, Frontier Shores Development, LLC, being the sole owner, does hereby adopt this plat designating the herein described real property as Lots 1, 2, 3, 4, 5, UA-1, & UA-2, FRONTIER SHORES, a subdivision in Palo Pinto County, Texas, and I do hereby dedicate to the public's use forever the easements and rights-of-way shown hereon, witness my hand, this the 12th day of February, 2026.

Owner

State of Texas

Before me, the undersigned a Notary Public in and for the State of Texas on this day personally appeared, Frontier Shores Development, LLC, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purpose and consideration therein expressed. Given under my hand and seal of office, this 12th day of February, 2026.

Notary Public in and for the State of Texas

Final Plat

Lot 1, 2, 3, 4, 5, UA-1, & UA-2
FRONTIER SHORES

Of a 14.437 acres tract of land out of the FRAYLAN De La GARZA SURVEY, ABSTRACT No. 106, Palo Pinto County, Texas, being all of Lots 1-4, Area 120 B.R.A. COTTAGE SITE LEASES, and a called 10.965 acres tract of land same being M. Patterson's tracts of land as described in Volume 2501, Page 348, Official Public Records, Palo Pinto County, Texas.

February 2026

TEXAS SURVEYING & ENGINEERING, INC.
WEATHERFORD - MINERAL WELLS - ALEO
SURVEYING FIRM NO. 10100000 - ENGINEERING FIRM NO. F-5703

Surveyor:
Texas Surveying & Engineering, Inc.
Mineral Wells Branch
112 S.E. 1st Street