

**DECLARATION OF COVENANTS,
RESTRICTIONS AND EASEMENTS FOR LAGO VISTA**

THIS DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS FOR LAGO VISTA is made effective as of the ___ day of _____, 2005, by LV Development, Ltd., a Texas limited partnership (hereinafter referred to as “Declarant”).

BACKGROUND STATEMENT

WHEREAS, Declarant owns certain real property in Tarrant County, Texas (the “Property”), which is more particularly described on Exhibit A attached hereto; and

Declarant intends to develop on the Property a residential development to be known as “LAGO VISTA” (hereinafter referred to as the “Development”); and

Declarant intends by this Declaration to impose mutually beneficial restrictions under a general plan and scheme of development for the benefit and protection of all owners of property within the Development. Declarant also desires to establish a method for the administration, maintenance, preservation, use and enjoyment of the Property; and

Declarant has caused or will cause the Association (as hereinafter defined) to be formed as a Texas non-profit corporation to perform certain functions for the common good and general welfare of the Owners (as hereinafter defined).

NOW THEREFORE, Declarant hereby declares that all of the Property (as hereinafter defined) shall be held, sold and conveyed subject to this Declaration of Covenants, Restrictions and Easements, which is for the purpose of enhancing and protecting the value, desirability and attractiveness of the Property. The covenants, restrictions and easements set forth herein shall run with the Property, and shall be binding on all parties having or acquiring any right, title or interest in the Property or any part thereof, and shall, subject to the limitations herein provided, inure to the benefit of each Owner, his heirs, grantees, distributees, legal representatives, successors, and assigns and to the benefit of the Association.

**THESE RESTRICTIONS WILL BE FULLY ENFORCED. DO NOT BUY A LOT
WITHOUT BECOMING FAMILIAR WITH ALL THE HOMEOWNER
OBLIGATIONS, REQUIREMENTS & RESTRICTIONS HEREIN.**

**ARTICLE I
DEFINITIONS**

The following words, when used in this Declaration of Covenants, Restrictions and Easements, shall have the following meanings:

“Annual Assessment” has the meaning given it in Section 5.04(a).

“Assessment” means a Quarterly Assessment or a Special Assessment.

“Architectural Control Committee” has the meaning given it in Article VII.

“Association” means Lago Vista Homeowners Association, Inc., a Texas non-profit corporation organized or to be organized under the Texas Non-Profit Corporation Act, and its successors and assigns.

“Board” means the Board of Directors of the Association.

“Bylaws” mean the Bylaws of the Association.

“Commencement Date” means the date on which the first Lot (as hereinafter defined) is sold to a third party other than Declarant.

“Committee” means the Architectural Control Committee.

“Common Property” means all real property (together with any and all improvements now or hereafter located thereon) owned by the Association or in certain instances over which the Association has been granted permanent easements, if any, for the common use and enjoyment of the Owners (as hereinafter defined).

“Declarant” means LV Development, Ltd., and its successors and/or assigns.

“Declaration” means this Declaration of Covenants, Restrictions and Easements.

“Design Standards” means all Restrictions and standards applicable to any Residence or Structure on a Lot pursuant to this Declaration.

“Development” means the residential development known as Lago Vista developed or to be developed on the Property and such additions as may be made pursuant to Article II.

“Development-Wide Standard” shall mean the standard of conduct, maintenance or other activity generally prevailing in the Development.

“Due Date” has the meaning given it in Section 5.06(a) hereof.

“Governmental Authority” has the meaning given it in the Section 3.08 hereof.

“Initial Design Standards” has the meaning given it in Section 6.01(b) hereof.

“Institutional Mortgage” has the meaning given it in Article XIII hereof.

“Lot” means any parcel of land shown upon a subdivision plat or re-plat recorded in the Plat Records of Tarrant County, covering any portion of the Property.

“Member” means any member of the Association.

“Membership” means the collective total of all members of the Association.

“Occupant” means any person occupying all or any portion of a Residence located within the Development for any period of time, regardless of whether such Person is a tenant, guest, or the Owner of the Residence.

“Outbuildings” shall include any Structure located on a Lot not connected with the Residence.

“Owner” means the record owner, whether one or more persons or entities, of a fee simple title to any Lot.

“Property” means that certain real property described on Exhibit A and any additions thereto, as are subject to this Declaration, or any amendment or supplement thereto, prepared and filed of record pursuant to the provisions of Article II hereof.

“Residence” means a Structure situated upon a Lot intended for independent use and occupancy as a residence for a single family.

“Restrictions” means all covenants, restrictions, easements, charges, liens and other obligations created or imposed by this Declaration.

“Pond Property” has the meaning given it in Section 3.07.

“Right of Abatement” has the meaning given it in Section 10.02.

“Special Assessment” has the meaning given it in Section 5.05.

“Structure” means any thing or object the placement of which upon any Lot or the Common Property may affect the appearance of such Lot or the Common Property; and/or any excavation, grading, fill, ditch, diversion dam or other thing or device which affects or alters the natural flow of surface waters from, upon or across any Lot or Common Property, or which affects or alters the flow of any waters in any natural or artificial creek, stream, wash or drainage channel from, upon or across any Lot or Common Property.

ARTICLE II **PROPERTY SUBJECT TO THIS DECLARATION**

2.01 Property. The Property is located in the City of Arlington, Tarrant County, Texas, and is more particularly described on Exhibit A attached hereto and incorporated herein by reference for all purposes.

ARTICLE III COMMON PROPERTY

3.01 Common Property. The Association, subject to the rights of the Owners set forth in this Declaration, shall be responsible for the exclusive management, care, preservation, maintenance and control of the Common Area and all improvements or personal property thereon, as well as personal property owned.

3.02 Common Property Maintenance. The Association shall maintain and keep in good repair the Common Property and other property of the Association within the Development, as hereinafter set forth; provided, however, the Association may choose not to replace any property the Board deems to be no longer needed for fulfilling the purpose of the Association. This maintenance obligation shall include, without limitation, maintenance, repair and replacement of all landscaping, lighting, fountains, access gates, improvements and other Structures situated on the Common Property or other property designated by Declarant to be maintained by the Association.

In addition, the Association shall maintain grass and other landscaping located along or in dedicated rights of way, to the extent permitted by the applicable governmental authority. The foregoing maintenance shall be performed consistent with the Development-Wide Standard.

3.03 Pond Property. A portion of the Common Property, upon conveyance by the Declarant to the Association, will contain one retention/detention pond, designated as "Pond Property" which shall be held by the Association as Common Property for the purpose of establishing and maintaining one Pond for the enjoyment of the residents and collecting and managing surface water run-off from the Property and from certain other real property, and all improvements thereto, as may be granted, an easement by Declarant for surface water run-off.

The Association will keep in good working order the Pond as necessary to collect and manage surface water run-off from the Property. The Association shall have the right, subject to the consent of Declarant, to establish written rules and regulations regarding access to and recreational use of all or parts of the Pond Property.

3.04 Private Streets. In consideration of the City's acceptance of the plat for this subdivision and the Association agrees to defend, indemnify and hold the City of Arlington, its officers, agents and employees, harmless against any claims, lawsuits, judgments, costs and expenses for damages to the private streets or common property, or for any personal injury (including death), property damage or other herein for which recovery of damages is sought, suffered by any person or persons, that may result from, arise out of or be occasioned by: (1)the design of or methods of construction, operation, repair or maintenance of the private streets or common property, **REGARDLESS OF THE CAUSE OF THE DAMAGE OR DISREPAIR**; (2)the Association's failure to repair or maintain the private streets or common property, **REGARDLESS OF WHETHER OR NOT SUCH FAILURE IS NEGLIGENT**; (3)the use of private streets or common property by governmental vehicles or equipment of the City, or vehicles or equipment of a contractor of the City for any municipal or public purpose, except that the Association

is not required to indemnify the City to the extent that City's or city's contractor's negligence or gross negligence in the course of such use is the sole proximate cause of any damages or injury; (4) the Association's negligence or gross negligence in its or its members' use, operation or maintenance of the private streets or common property or in the performance of responsibilities (as designated by City ordinance, final recorded plat, instrument, contract or other law) for the use, operation and maintenance of the private streets or common property. Further, in the case of damage or injury arising under (3), if the negligence or gross negligence of City (or City's contractor), its officers, agents or employees, and the Association is joint and concurrent, responsibility and indemnity, if any, shall be apportioned in accordance with the laws of the State of Texas, without, however, waiving any governmental immunity available to City under Texas law. This indemnity is strictly for the benefit of City and Association and shall not be construed to grant or convey any rights, contractual or otherwise, to any third person or entity. The failure of the Association to perform its obligations under the rest of this Agreement or the subsequent assumption of the obligations by City as a result of the Association's failure does not relieve or excuse the Association from its liability under this indemnity.

ARTICLE IV

LAGO VISTA HOMEOWNERS' ASSOCIATION

4.01 Purposes, Powers and Duties of The Association. The Association shall be formed as a non-profit corporation for the sole purpose of performing certain functions for the common good and general welfare of the Owners as contemplated in this Declaration. The Association shall have no power or duty to do or perform any act or thing other than those acts and things which will promote in some way the common good and general welfare of the Owners. To the extent, and only to the extent, necessary to carry out such purpose, the Association shall have all of the powers of a Texas non-profit corporation, organized under the Texas Non-Profit Corporation Act, and shall have the power and duty to exercise all of the rights, powers and privileges and to perform all of the duties and obligations of the Association as set forth in this Declaration

4.02 Membership in the Association. Every Owner shall automatically be a member of the Association and such membership shall terminate only as provided in this Declaration. For purposes of voting, there shall be two (2) classes of Members as set forth in Section 4.03.

4.03 Voting Rights & Classes.

(a) Each Owner of a Lot, with the exception of Declarant, shall be a Class A Member and shall be entitled to one (1) Class A vote per Lot. Where such Owner is a group or entity other than one individual person, the vote on behalf of such Owner shall be exercised only by such individual person as shall be designated in a proxy instrument duly executed by or on behalf of such group or entity and delivered to the secretary of the Association.

(b) The Declarant shall be the sole Class B Member and shall be entitled to three (3) votes for each Lot owned; provided, however, in no event shall the Class B Member have less than the total number of Class A votes plus one (1). The Class B Membership shall cease when the Declarant no longer retains the right to appoint and remove members of the Board and officers of the Association under Section 4.08 hereof.

4.04 Board of Directors. The affairs of the Association shall be conducted by a Board of Directors. The number of Directors and the method of election of Directors shall be as set forth in the Bylaws of the Association. All Board Members shall be residents of the Subdivision. The Board, on behalf of the Association and for the benefit of the Property and the Owners and the Members and Occupants, may provide and may pay for, out of the Assessment fund(s), the following:

(a) care, preservation and maintenance of the Common Property and the furnishing and upkeep of any desired personal property for use in or on the Common Property;

(b) **maintenance of the entire grass lawn, front, side & rear of each lot within the subdivision including regularly scheduled mowing and edging and other yearly services such as fertilization.**

(c) taxes, insurance and utilities (including, without limitation, electricity, gas, water, sewer and telephone charges) which pertain to the Common Property;

(d) the services of any person or firm (including the Declarant and any affiliates of the Declarant) to manage 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 of the Association.. The Board is specifically authorized to engage personnel (such as lawyers, ad valorem tax consultants and computer operators) and equipment (such as computers, software and electronic communication and transmission devices) for the administration of the collection of Assessments;

(e) any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations, taxes or assessments which the Board is required to obtain or pay for pursuant to the terms of this Declaration or which in its opinion shall be necessary or proper for the operation or protection of the Association or for the enforcement of this Declaration.

(f) to execute all declarations of ownership for tax assessment purposes with regard to any of the Common Property owned by the Association;

(g) to enter into agreements or contracts with insurance companies, taxing authorities, the holders of first mortgage liens on the individual Lots and utility companies with respect to: (i) any taxes on the Common Property; (ii) monthly escrow

and impound payments by a mortgagee regarding the assessment, collection and disbursement process envisioned by Article V. herein; (iii) utility installation, consumption and service matters; and (iv) the escrow or impounding of monies sufficient to timely pay the all Assessments;

(h) to borrow money (including, without limitation, the borrowing of funds from the Declarant and/or its affiliates) for the purpose of carrying out the activities of the Association, including the acquisition, construction, improvement, equipping and maintenance of Common Property, and in aid thereof to encumber by deed of trust, mortgage or other security interest any or all of the Association's property including Common Property and revenues from assessments, user fees and other sources and provided;

(i) 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;

(j) to protect or defend the Common Property from loss or damage by suit or otherwise, to sue or defend in any court on behalf of the Association and to provide adequate reserves for repairs and replacements;

(k) to make reasonable rules and regulations for the operation of the Common Property, charge reasonable expense reimbursements and/or deposits relating to the use, operation and maintenance of the Common Property, and to amend any of the foregoing from time to time;

(l) to prepare an annual operating budget and to make available for review by each Owner at the Association offices within ninety (90) days after the end of each Fiscal Year an annual report;

(m) 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 Owners in proportionate amounts to cover the deficiency;

(n) to enforce the provisions of this Declaration and any rules made hereunder and to enjoin and seek damages from any Owner, Occupant or Member for violation of such provisions or rules. The Board is specifically authorized and empowered to establish (and to revise and amend from time to time) a monetary "fines" system which may include component steps such as warning citations, ticketing, due process hearings and appeals and a flat rate or discretionary range or geometric progression of fine amounts, which, when pronounced, shall constitute a permitted individual Lot Owner assessment secured by the continuing lien herein established;

(o) grant easements or rights of way over Common Property to any municipality or other governmental body, agency or authority, to any quasi-public agency

or to any utility company or cable television system or to any owner of land contiguous to the property;

(p) suspend, pursuant to Section 4.05, the voting rights of any Member and the right of enjoyment granted or permitted herein;

(q) enter into and enforce all applicable provisions of valid agreements of the Association relating to the Common Property or any part thereof for the purpose of providing management, maintenance, materials, services or other matters consistent with the purposes of the Association or these Declarations;

(r) install, maintain, improve and replace any and all landscaping, fencing, gates or other Structures on the Common Property and/or previously installed by the Declarant or the Association.

4.05 Suspension of Membership Rights. The Board may suspend the voting rights of any Member and the right of enjoyment of the Common Property of any person who:

(a) shall be subject to the Right of Abatement by reason of having failed to take reasonable steps to remedy a violation or breach of either the Restrictions or the Design Standards within the deadlines set forth herein after having received notice of the same pursuant hereto;

(b) shall be delinquent in the payment of any Assessment levied by the Association; or

(c) shall be in violation of the rules and regulations of the Association relating to the use, operation and maintenance of Common Property.

Such suspension shall be for the balance of the period in which said Member or person shall remain in violation, breach or default, as aforesaid, except that in the case of a violation described in subsection (c) of this Section 4.05, the suspension may be for a period not to exceed sixty (60) days after the cure or termination of such violation. No such suspension shall prevent an Owner's ingress to or egress from his Lot.

4.06 Termination of Membership. Membership shall cease only when a person ceases to be an Owner.

4.07 Voting Procedures. The procedures for the election of Directors of the Association and the resolution of such other issues as may be brought before the membership of the Association shall be governed by this Declaration, the Texas Non-Profit Corporation Act and other applicable law, the Articles of Incorporation of the Association, and the Bylaws of the Association, as each shall from time to time be in force and effect.

4.08 Control by Declarant. Declarant hereby retains the right to appoint and remove any members of the Board of the Association, any officer or officers of the Association and members of the Architectural Control Committee until fifteen (15) days after the date upon which the last of the Lots (including without limitation all Lots on any land hereafter added to the Development) has been conveyed by Declarant to an Owner. Upon the expiration of the period of Declarant's right to appoint and remove directors and officers of the Association pursuant to the provisions of this Section, such right shall automatically pass to the Owners pursuant to this Declaration, and the Articles of Incorporation and the Bylaws of the Association, and Declarant shall deliver the books, accounts, and records, if any, which Declarant has kept on behalf of the Association and any agreements or contracts executed by or on behalf of the Association during such period that Declarant has in its possession.

4.09 Liability Limitation. The Declarant; the owners, occupants and members; the directors, officers, managers, partners, owners, employees and agents of the association; and the directors, officers, managers, partners, owners, Employees and agents of the Declarant shall not be personally liable for debts contracted for or otherwise incurred by the association or for any torts committed by or On behalf of the association or for a tort of another occupant, whether such other occupant was acting on behalf Of the association or otherwise, even if arising from the sole or concurrent negligence or strict liability of the Declarant or association or any of their directors, officers, managers, partners, owners, employees or agents. The Declarant, the Association, and their directors, officers, managers, partners, Owners, agents employees shall not be liable for any actual, Incidental or consequential damages for failure to inspect Any residence or other structure, improvements or portion Thereof, or for failure to repair or maintain the same, even if Arising from any of their sole or concurrent negligence or strict liability.

4.10 Insurance; Security Arrangements.

(a) The Association shall have the right and option to purchase, carry and maintain in force insurance covering any or all portions of the Common Property, any improvements thereon or appurtenant thereto, for the interest of the Association and of all Members thereof, in such amounts and with such endorsements and coverage as shall be considered good sound insurance coverage for properties similar in construction, location, and use to the subject property. Such insurance may include, but need not be limited to: (i) insurance against loss or damage by fire and, (ii) public liability and property damage insurance on a broad form basis;

(b) As part of the Development, Declarant is constructing one or more entry gates and a wall surrounding all or part of the Development. Neither Declarant nor the Association warrant or guarantee that: (i) security is sufficient and adequate to diminish or eliminate the occurrence of crimes against persons or property; and (ii) such acts will not be attempted or actually occur within the Property.

(c) Each Owner expressly understands, covenants and agrees that neither Declarant nor the Association has any responsibility or liability of any kind or character whatsoever regarding or pertaining to the real and personal property of each Owner.

4.11 Use of Insurance and Condemnation Proceeds. The Association shall be the exclusive representative of the Members in any proceedings, negotiations, settlements or agreements concerning insurance covering or condemnation of Common Property. The Association and the Members shall use the net casualty insurance or condemnation proceeds to repair and replace damage or destruction of Common Property covered by such insurance or condemnation. Any balance from the proceeds of insurance or condemnation paid to the Association remaining after satisfactory completion of repair and replacement, shall be retained by the Association as part of a general reserve fund.

If the insurance or condemnation proceeds are insufficient to repair or replace any loss or damage to Common Property, the Association may levy a special assessment as provided for in Article V of this Declaration to cover the deficiency.

If the Association owns any Lot, through foreclosure or otherwise, the Association shall be entitled as an Owner to all rights related to insurance coverage and condemnation of such Lot. The Association may, but is not obligated to, repair or replace any damage to a Lot owned by the Association; provided, however, the Association must exercise its discretion with regard thereto for the benefit of the Owners.

THE FOLLOWING ARTICLE OUTLINES THE AMOUNT OF THE HOA DUES AND WHEN THEY ARE DUE. THE HOA CAN FORCLOSE ON YOUR HOUSE IF YOU DO NOT PAY YOUR DUES!

ARTICLE V
ASSESSMENTS

5.01 Covenant for Assessments and Creation of Lien and Personal Obligation. Each Owner of a Lot other than Declarant, jointly and severally, for himself, his heirs, distributees, legal representatives, successors and assigns, by acceptance of a deed for a Lot, whether or not the covenants contained herein shall be expressed in any such deed, hereby covenants and agrees as follows:

(a) to timely pay to the Association any and all Assessments and/or Special Assessments which may or shall be levied by the Association pursuant to this Declaration against all Lots owned by him;

(b) that there is hereby created a continuing charge and lien upon all Lots owned by him against which all such Assessments are made to secure payment of (i) such Assessments and any interest thereon as provided in Section 5.07 hereof and costs of collection including reasonable attorneys' fees; (ii) payment of the costs related to the exercise by the Association of the Right of Abatement under Article IX hereof; and (iii) any other amounts due from the Owner to the Association under these Declarations;

(c) that no sale or transfer at foreclosure or in lieu of foreclosure shall relieve any Lot from liability for any assessment thereafter assessed;

(d) that all Assessments (together with interest thereon as provided in Section 5.07 of this Declaration and costs of collection including reasonable attorneys' fees) levied against any Lot owned by him during the period that he is an Owner shall be (in addition to being a continuing charge and lien against such Lot as provided in Section 5.01(c) of this Declaration) a personal obligation which will survive any sale or transfer of the Lot owned by him; provided, however, that such personal obligation for delinquent Assessments shall not pass to an Owner's successor in title unless expressly assumed by such successor; and

(e) failure to pay any Assessment when due shall constitute a default of the Owner's obligations hereunder, and shall entitle the Association to exercise the remedies provided under the terms of this Declaration.

5.02 Purpose of Assessment. The assessments levied by the Association shall be used at the discretion of the Association for providing for the common good and general welfare of the Owners and Occupants, and meeting the maintenance obligations as required herein.

5.03 Accumulation of Funds Permitted. The Association shall not be obliged to spend in any calendar year all the sums collected in such year by way of Quarterly Assessments or otherwise, and may carry forward, as surplus, any balances remaining; nor shall the Association be obligated to apply such surplus to the reduction of the amount of the Quarterly Assessments in any succeeding year, but may carry forward from year to year such surplus as the Board may deem to be desirable for the greater financial security of the Association and the effectuation of its purposes.

5.04 Assessments.

(a) Beginning on the Commencement Date, **each Lot (other than Lots owned by the Declarant) shall be subject to an Annual Assessment (the "Annual Assessment") of One Thousand Six Hundred Dollars (\$ 1,600.00)**; in the event that the Commencement Date falls on a day other than January 1, the Annual Assessment for such year shall be prorated so that each Owner pays an Annual Assessment proportional to the number of days remaining in the calendar year. The words "Assessment Year" as used herein shall mean the calendar year, with the first Assessment Year commencing on January 1 of the year immediately following the Commencement Date. The prorated annual assessment for the first year shall be paid by each Owner at the time of closing on the Lot purchase.

(b) The Annual Assessment may be increased at any time and from time to time during each Assessment Year by the Association; provided, however, such increase shall not be more than ten percent (10%) above the Annual Assessment for the previous Assessment Year without a simple majority vote of the Membership as provided herein.

5.05 Special Assessments. In addition to the Annual Assessment authorized by this Article V, the Association may levy, in any Assessment Year and with such frequency as the Association shall deem necessary, special assessments (“Special Assessments”) for each Lot (other than Lots owned by Declarant) for the purpose of paying, in whole or in part, any unanticipated operating expenses, as well as the cost of any acquisition, construction, reconstruction, repair or replacement of a capital improvement on the Common Property and any fixtures and personal property related thereto. Such Special Assessments may be levied by the Board in any Assessment Year without the approval of the Members, which Special Assessments in the aggregate do not exceed an amount equal to the portion of the Annual Assessment due or paid during that Quarter. Special Assessments exceeding said amount shall require the approval of three-fourths (3/4) of the Members who are present in person or by proxy at a meeting of Members duly held in accordance with the provisions of the Bylaws of the Association and this Declaration.

5.06 Assessment Procedure.

(a) The Board shall establish annual assessments for each Assessment Year at an amount not in excess of the maximum annual assessments as determined by the provisions of this Article V, and shall also establish the dates during the Assessment Year on which the annual assessment shall be due and payable (such date is hereinafter referred to as the “Due Date”). **Unless otherwise changed by the Board, the Due Dates for the Annual Assessment shall be January 1st, April 1st, July 1st, and October 1st of each year and payable in equal amounts on these dates.**

The Board shall also establish an annual budget which shall list the estimated operating expenses and shall contain an amount to be set aside each year into a reserve allowance to be used for future repair and replacement of the Common Property; provided, however, in no event shall the Board be required to provide for a reserve sufficient to cover all such future repair and replacement of the Common Property, it being intended that a portion or all of such costs will be covered by Special Assessment.

The Board shall cause the Association, once yearly and at least thirty (30) days prior to January 1st to send to each Owner written notice setting forth the amount of the Annual Assessment and the Due Dates of the Assessment, along with a copy of the estimated yearly operating budget for the forthcoming year.

The Board from time to time and as necessary, shall also establish payment procedures for payment of any special assessments for capital improvements which may be levied in accordance with the provisions of this Article V.

(b) All Members of the Association shall be given written notice by the Board not less than thirty (30) days in advance of any meeting of the Members of the Association at which the Board shall propose taking action pursuant to Section 5.04(c) and Section 5.05 of this Article V. Such written notice shall specify under which Section or Sections the

Board will propose action. At such meetings, the presence of Members or of proxies entitled to cast fifty percent (50%) or more of the total votes outstanding shall constitute a quorum. If the required quorum is not present at such meeting, a second meeting may be called by the Board subject to the same notice requirement, and the required quorum at such second meeting shall be thirty percent (30%) of the total votes outstanding. No such second meeting shall be held more than sixty (60) days following the first meeting. If the required quorum is not present at the second meeting, the Board may take such action without approval of the Members.

5.07 Effect of Non-payment of Assessments. Any Assessment which is not paid on or before the Due Date shall bear interest after the Due Date at the lower of (i) the highest legal rate of interest which can be charged or (ii) the rate of eighteen percent (18%) per annum. In the event of default in the payment of any one or more installments of an Assessment, the Board may declare any remaining unpaid balance of the Assessment at once due and payable. All unpaid Assessments, together with any interest and costs of collection including reasonable attorneys' fees, shall be the personal obligation of such Owner, as well as a lien on the applicable Owner's Lot enforceable in accordance with the provisions of this Declaration.

5.08 Binding Effect of Declarations. Each Owner by acceptance of a deed for a Lot, whether or not it is expressed in such deed, is deemed, as part of the consideration for such deed (i) to agree to pay and be personally liable for all Assessments applicable to the Lot on Lots owned by such Owner, and (ii) to agree to be bound by all of the other terms, conditions, obligations and agreements applicable to Owners in this Declaration.

5.09 Exempt Property. The following property otherwise 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;
- (b) All Common Property;
- (c) Any and all areas which may be reserved by the Declarant on the recorded plat(s) of the Property; and
- (d) Lots owned by Declarant.

PAY CLOSE ATTENTION TO THE FOLLOWING DESIGN STANDARDS. THESE BUILDING DESIGN STANDARDS WILL BE STRICTLY ENFORCED BY THE COMMITTEE, ASSOCIATION AND CITY OF ARLINGTON (WHERE APPLICABLE BY THE PROVISIONS OF THE FINAL PLAT).

ARTICLE VI **DESIGN STANDARDS**

The intent of the following Design Standards is to enhance and preserve the quality of the community while maintaining the natural beauty of Lago Vista. Structures should preserve the natural features of each Lot such as significant trees, views, and topography. Accordingly, a house plan and site plan, and any other documentation requested must be submitted for approval to the Architectural Control Committee. Additionally, any future changes or additions to the Lot after construction of the Residence is complete must also be approved. The Committee may determine that what was found acceptable in one situation may not be acceptable in another as the intent is to ensure each design is appropriate to the specific Lot and does not dominate or contrast sharply with the surroundings.

6.01 Design Standards.

(a) No Lot and no Residence or outbuilding located thereon shall ever be used for other than a single family residence or purposes incidental thereto. No Garage or Outbuilding on any Lot shall be used as a Residence or living quarter, temporarily or otherwise. No dwelling shall be occupied in any manner at any time prior to completion. The work of constructing the dwelling shall be prosecuted diligently from the commencement thereof until completion. All construction must be completed within twelve (12) months after commencement thereof unless otherwise approved by the Committee. Water, natural gas, electric and sanitary sewer facilities are located on or at the edge of each of the Lots covered by this dedication; and the owner of any such Lot must tie onto these facilities unless written permission for different treatment is obtained from the undersigned.

(b) The following initial design standards and all other Restrictions and standards expressly set forth in these Declarations (together, the “Initial Design Standards”) shall apply to the Development:

(i) Residences. All Residences shall be of a traditional nature in architectural style. The exterior surface of all dwellings shall be constructed of 100% brick, stone, or stucco (original or polymer), except as allowed by the committee for trim, dormers and other ancillary structures not typically constructed of masonry. All exterior surfaces, especially any painted or stained wood surface, (including, without limitation, garage doors) must be maintained in good condition. Installation of all types of exterior items and surfaces such as address numbers or external ornamentation, lights, mail chutes, exterior paint or stain, shall be subject to the approval of the Committee. The installation of solar panels on any roof or other portion of a residence which is visible from any street, alley or adjoining Lot is expressly prohibited.

(ii) Roofs. All roofs shall meet the all of the following criteria (1) 320 Pound Composition shingles, (2) the color of shingles must be “Blended Weather wood”, (3) Ridge Enhancers must be used, and (4) otherwise in compliance in all respects

with applicable City of Arlington, Texas ordinances. The Committee may consider other, superior roofing products and colors on a case-by-case basis. The minimum roof pitch of any structure shall be eight (8) feet by twelve (12) feet, except as approved by the Committee. The minimum plate height on the front of each Residence shall be ten (10) feet, except as approved by the Committee.

(iii) Every Residence erected on any lot shall front on the street on which it is located.

(iv) Garages. Each Residence shall include an enclosed garage that can accommodate a minimum of two (2) cars. Every garage shall be constructed of the same material as the Residence. All garage doors must be decorative wood and have continuity with the architecture of the primary Residence. Standard, stamped steel doors are specifically prohibited. Garage doors shall be recessed a minimum of twelve (12) inches. Porte-cocheres must be approved in writing by the Committee.

(v) Outbuildings. Outbuildings, including detached garages, shall be of design, construction and materials similar and comparable to that of the Residence. No outbuilding shall exceed the Residence in height, unless by written consent of the Board.

(vi) Fences. All side and rear fences shall not be greater than six (6) feet in height without the Board's written approval. All fences and walls facing the street shall be no taller than four (4) feet in height without the Board's written approval. When a 6' fence transition into a 4' fence, the transition slope must not be greater than 20% grad. Unless otherwise agreed by the Committee, all side and rear fences shall be on the property line, constructed of double sided board-on-board cedar, mounted on metal posts set in concrete, and top trimmed with a 1" by 4" trim piece and 1" by 6" cap rail.

Wrought Iron fencing will be allowed on a case by case basis (for the main purpose of, but not limited to, preserving views and scenery. No fence shall be constructed in violation of any applicable guidelines, ordinances, laws, rules, regulations, or the provisions of the subdivision plat establishing the Development.

(vii) Landscaping. Each Residence shall be fully landscaped within ninety (90) days after the date on which the finished flooring has been installed in the residence. Landscape plans will not be required but Landscaping must include, but not be limited to, the following requirements:

1. Lawn: Each Residence must install an automatic sprinkler system in the front, side and back yards and sod the entire yard with St. Augustine grass (except areas where landscape beds will be located).

2. Trees: Each Residence must incorporate a minimum of one (1) 3" caliper large growth specimen tree (i.e.: Red Oak, Live Oak, Bald Cypress, Pecan, Elm...) and one (1) 5' tall ornamental tree (i.e.: Crepe or Wax Myrtle, Holley, Japanese Maple...) in the front yard.

3. Landscape Beds: Each Residence must incorporate a landscape bed with brick, concrete or stone borders in the front yard. Metal edging is specifically prohibited. Each landscape bed must contain a variety of plantings with at least seven (7) three (3) gallon or larger sized plants, shrubs and/or accents and be acceptable to the Architectural Control Committee upon review.

(viii) Driveways. Driveways shall be a minimum of eleven feet (11') wide and a maximum of sixteen feet (16') wide, except at the driveway apron to garage entrances or to provide for a turnaround at a garage and/or off-street parking. Each Lot must have a concrete, brick or stone driveway, if an alternative material, finish or color is used, it must be pre-approved by the Committee.

(ix) Signs. No sign or signs shall be displayed to the public view on any Lot, except that: (1) any builder, during the applicable initial construction and sales period, may utilize one professional sign (of not more than sixteen (16) square feet in size) per Lot for advertising and sales purposes, provided that such sign must be approved by the Committee; (2) thereafter, a dignified "for sale" sign (of not more than nine (9) square feet in size) may be utilized by the Owner of the respective Lot; (3) development-related signs owned or erected by Declarant shall be permitted; (4) signs displaying the name of a security company shall be permitted, provided that such signs are (i) ground mounted, (ii) limited to one (1) in number (one in the front yard); (iii) of a reasonable size; and (iv) subject to the prior written approval of the Association; and (5) materials board(s) erected by any builder during the period of construction only. No other signs will be permitted, except upon approval by the Committee. All signs must be constructed of metal or wood and be professionally designed and constructed.

(x) Pool Equipment. No pool may be erected, constructed or installed without the prior written consent of the Committee. Above-ground pools are expressly prohibited. All pool, spa and air-conditioning equipment shall be fenced and located in either (1) a side yard between the front and rear boundaries of the dwelling, or (2) in the rear yard adjacent to the dwelling; and shall not be visible from any residential street or public area or any Adjoining Lot. Solid noise absorbing covers for equipment may be required if the equipment is audible from adjacent properties.

(xi) Mail Boxes. All mail boxes shall be standard in design, masonry in construction, double service (serving two adjacent lots) and stand permanently placed in the ground on the lot line between the two residences which will share the structure.

(xii) Meters and Air-Conditioning Compressors. All utility meters, equipment, air conditioning compressors, evaporative coolers and similar items must be located in areas approved by the Committee and must be screened from view as required by the Committee.

(xiii) Retaining Walls. The maximum height of site retaining walls is three feet (3') unless incorporated into the house foundation (basements). Retaining

walls shall be built to extend and/or blend with the existing topography. Retaining walls are not allowed to be located on property lines. All retaining walls are to be set back from property lines a minimum of one foot (1'). Walls are to be designed with a 2:12 batter if the overall wall height exceeds two feet (2'). Higher walls may be necessary due to topography and may be approved when such a solution would significantly reduce overall impacts to the site. All retaining walls must use the same stone and pattern as the retaining walls installed by the Declarant.

(xiv) Outdoor Fireplaces. All outdoor fireplaces must comply with the ordinances of the City of Arlington, Texas. Their design, location and materials must be pre-approved by the Committee.

(xv) Gutters. All Residences shall be required to install gutters along the front, back and sides of the residence, or wherever applicable, within ninety (90) days after the date on which the finished flooring has been installed in the residence.

(xvi) Windows. Standard, unfinished aluminum windows are not allowed. Wood windows or other superior products such as vinyl-clad or aluminum-clad windows will be the standard. Sky lights are permitted provided they are not visible from the street.

(xvii) Minimum Floor Area. Not more than twenty (20) Residences having an enclosed air conditioned floor area of less than 2,000 square feet shall be erected. The Committee may approve in writing a certain number of Residences, but not greater than ten (10), to be allowed an enclosed air conditioned floor area of not less than 1,900 square feet, and a certain number of Residences, but not greater than ten (10), to be allowed an enclosed air conditioned floor area of not less than 1,800 square feet.

As used herein, "floor area" means the floor area of the Residence only. As used in determining square footage compliance, "Residence" does not include the floor area of outbuildings, guest quarters, garages and similar buildings attached to the main dwelling, nor does it include the floor area of porches, attached or unattached, enclosed or unenclosed, basements, attics, etc.

(xviii) Building Lines/Setbacks. The words "building line" as used herein mean the line designated as "building line" on the recorded plat of the Property.

1. Front Entry Garage Setbacks. All garages facing the street shall be a minimum of twenty (20) feet from the building line shown on the recorded plat of the Property.

2. J-Swing Garage Setbacks. All garages not facing the street, shall be a minimum of ten (10) feet from the building line shown on the recorded plat of the Property.

(xix) Builder Approval/Escrow Deposits. All builders, including those that are also Lot owners, intending on constructing a Residence on any Lot must be approved by the Committee prior to commencing construction on any Lot. The

Committee may require each builder to complete a Builder Qualification Application and Escrow Agreement and submit additional documents as may be reasonably required to ascertain the Builder's qualifications to build within the Development. The Committee retains the sole authority to restrict construction on any Lot to qualified builders only.

(xx) Grading and Drainage. Slopes shall not exceed 4:1 unless it can be determined that a steeper slope will not erode. All slopes are to be re-vegetated as soon as possible with planting appropriate to the site. Drainage design is to emphasize reduction of erosion and runoff and minimal disruption to adjacent property.

6.02 Inspection Rights. Any employee or agent of the Association may, after reasonable notice, at any reasonable time or times, enter upon any Lot and Structure thereon for the purpose of ascertaining whether the installation, construction, alteration or maintenance of any Structure or the use of any Lot or Structure is in compliance with the provisions of this Declaration; and the Association and any such agent shall not be deemed to have committed a trespass or other wrongful act solely by reason of such entry or inspection, provided such inspection is carried out in accordance with the terms of this Section.

6.03 Violations. If any Structure shall be erected, placed, maintained or altered upon any Lot in violation of the provisions of this Declaration, the Board shall provide written notice to the Owner by certified mail, setting forth in reasonable detail the nature of the violation and the specific action or actions required to remedy the violation. If the Owner shall not have taken reasonable steps toward the required remedial action with thirty (30) days after the mailing of the aforesaid notice of violation, then the Association shall have the Right of Abatement as provided in Section 8.02 hereof, in addition to any and all other remedies available at law or in equity.

ARTICLE VII **ARCHITECTURAL CONTROL**

7.01 Architectural Control Committee. Declarant shall designate and appoint the Committee, which shall be composed of three (3) individuals, each generally familiar with residential and community development design matters, and knowledgeable of Declarant's concern for the maintenance of a high level of standards within the Addition. The members of the Committee shall serve at the discretion of Declarant, and Declarant may replace one or more members of the committee as its discretion.

7.02 Appointment. As the initial members of the Committee, Declarant hereby appoints Charles R. Dodson, Jerry L. Dodson & James L. Maibach.

7.03 Successors. In the event of death, resignation or removal by Declarant of any member of the Committee, Declarant shall have full authority to designate and appoint a successor member. No member of the Committee shall be entitled to any compensation for his or her services as a member of the Committee pursuant to this Declaration, nor

shall any member of the Committee be liable for claims, causes of action or damages arising from his or her services as a member of the Committee pursuant to this Declaration.

7.04 Authority. No Residential Unit, nor any other permanent improvement, nor modifications to existing structures, shall be constructed on any Lot within the Addition until all plans pertaining thereto have been submitted to and approved by the Committee. The Committee is authorized and empowered to consider and review any and all aspects of construction and landscaping which may, in the reasonable opinion of the Committee, impact upon the quiet enjoyment of one or more of the owners of property within the Addition. In its consideration of the harmony of design between existing structures and the proposed structure, the Committee shall consider only the general appearance of the proposed structure, to the extent that such general appearance can be determined from the front, rear and side elevations appearing in the submitted plans.

7.05 Procedure for Approval.

(a) Homebuilders, individuals or other entities desiring to construct single family Residential Units, modify existing structures, or erect other permanent improvements (including fences), within the Addition, shall submit the following materials (where applicable) to the Committee in duplicate before commencing the erection of buildings or exterior additions or alterations to any building situated in the Addition, including the construction of any related amenity structures or other improvements:

(i) A site plan depicting set-back lines, the footprint of the proposed structure on the Lot, written acknowledgement of and agreement to landscape requirements set forth herein, and the proposed location of driveways and sidewalks.

(ii) Construction plans, including front, rear and side elevations.

(iii) Materials proposed for the visible exterior of the structure, and the roof, including colors, if other than the standards set forth herein.

(iv) Proposed design, location, and specifications of any modifications or construction of other improvements.

(b) Upon receipt of all of the information described above from any homebuilder or individual, the Committee shall consider such submission within twenty one (21) days thereafter. It shall be the responsibility of the submitting individual to confirm that all required information has been presented, as the twenty-one (21) day period will not begin to run before all information has been presented. If the submission is deemed acceptable by a majority of the Committee, the Committee shall retain one copy of the submission and the other copy shall be marked "Approved", signed by a majority of the Committee, and returned to the submitting homebuilder or individual. If disapproved by the Committee, one set of documents shall be marked "Disapproved", signed by a majority of

the Committee, and returned to the homebuilder or individual, within five (5) business days following the decision, accompanied by a detailed statement of the reason or reasons for disapproval. The Committee's approval or disapproval shall be in writing and the Committee shall not approve or disapprove any submission verbally. If the Committee fails to reach a decision to a submission of all the information required above within thirty (30) days following such submission, or notify the submitting individual within five (5) business days following the decision, then the submission shall be deemed approved. Notwithstanding anything contained to the contrary herein, the provisions of this 7.05 shall not be applicable to Declarant or to the construction or erection of any improvements, additions, buildings or other structures by Declarant upon any Lot.

7.06 Termination, Continuation. The Committee appointed by Declarant shall cease to exist upon the sale by Declarant of the last Lot owned by Declarant within the Addition. However, the Association may appoint members to the Committee after all Declarant's Lots have been sold. If there is no Committee in existence at any given time then no approvals otherwise required by this Article VII shall be required. The association cannot dissolve without prior written consent from the City.

7.08 Liability of Committee. The members of the Committee shall have no liability for decisions made by the Committee. Any errors in or omissions from the submissions to the Committee shall be the responsibility of the homebuilder or individual effecting the submission, and the Committee shall have no obligation to check for errors in or omissions from any submissions, or to check for the compliance of such submissions with the general provisions of this Declaration, City codes, state statutes, or the common law, whether the same relates to lot lines, building lines, casements, or any other matter or issue.

ARTICLE VIII **GENERAL COVENANTS AND RESTRICTIONS**

8.01 Application. The covenants and restrictions contained in this Article VIII and elsewhere in these Declarations shall pertain and apply to all Lots and to all Structures erected or placed thereon.

8.02 Restrictions of Use. Lots may be used for single-family residences only and for no other purpose. No business of any kind shall be conducted on any Lot with the exception of the business of Declarant and its transferees in developing the Subdivision.

8.03 Re-subdivision of the Property. No Lot may be split, divided, or subdivided except by Declarant. Notwithstanding the foregoing, nothing herein shall prevent Declarant or the owners of any Lots from combining two or more Lots into one Lot for construction of a single Residence thereon; provided, however, that such combined Lot may not be subdivided thereafter. If two (2) or more Lots are combined into one (1) Lot for construction of a single residence, such combined Lot shall be entitled to only one (1) vote under Section 4.03 hereof.

8.04 Construction Completion Time. In the event that a Residence is partially or totally damaged by fire or other causes, the Owner of such Residence must either rebuild the Residence or completely clear the Lot. In the event the Owner desires to rebuild, the construction or restoration of the damaged Residence, or portion thereof, must commence within one-hundred twenty (120) days after the occurrence causing the damage. No construction or restoration shall commence however, until plans and specifications have been submitted to the Committee (and are subsequently approved). In the event the Owner does not desire to rebuild, the Owner must clear away all remaining debris and restore the Lot to the condition in which it existed prior to the initial construction of the damaged Residence.

8.05 Trailer Houses, Movable Structures and Temporary Buildings. No temporary building, trailer, trailer house, mobile home, garage or building under construction shall be used, temporarily or permanently, as a residence on any Lot. No contractor or builder shall erect on any Lot any temporary building or shed for use in connection with construction on such Lot or as a sales office, unless approved by the Declarant.

8.06 Signs. The construction or maintenance of billboards, signs, poster boards, and/or advertising structures of any kind on any part of any Lot is prohibited except as provided in paragraph 6.01(b)(ix).

8.07 Setbacks. All setbacks shall be established such that they do not violate the provisions of applicable ordinances, laws, rules, regulations and the provisions of the subdivision plat establishing the Development. No Structure shall be erected or placed on any Lot unless its location is consistent with such setbacks.

8.08 Maintenance. Each Owner shall, at all times, both prior to commencement of construction of a Residence and subsequent thereto, keep and maintain each Lot and Structure owned by him in good condition and repair, including, but not limited to (i) the repairing and painting (and other appropriate external care) of all Structures such that the Development is characterized by a uniformly high level of home maintenance consistent with the Association's standard of maintenance for the Common Property; (ii) the seeding, watering and mowing (If mowing is no longer provided by the Association) of all lawns; (iii) the pruning and trimming of all trees, hedges and shrubbery so that the same are not obstructive of a view by motorists or pedestrians of street traffic; and (iv) the removal of all trash and debris.

If in the opinion of the Board, any Owner shall fail to perform the duties imposed by this Section, then the Board shall give written notice to the Owner to remedy the condition in question, setting forth in reasonable detail the nature of the condition and the specific action or actions needed to be taken to remedy such condition.

If the Owner shall fail to take reasonable steps to remedy the condition within thirty (30) days after the mailing of said written notice by certified mail, then the Association shall have the Right of Abatement as provided in Section 9.02 hereof.

8.09 Commercial and Recreational Vehicles and Trailers. No commercial vehicle, house trailer, mobile home, motor home, recreational vehicle, camper, truck with camper

top, boats or boat trailers or like equipment shall be permitted on any Lot as a permanent basis, but shall be allowed on a temporary basis not to exceed forty-eight (48) consecutive hours. No street parking for these vehicles will be permitted.

8.10 On-Street Parking. All vehicles shall be parked only upon the driveways and inside garages/auto courts of each Lot. No street parking except for temporary periods of time not to exceed twelve (12) hours shall be permitted. Limited on-street parking is permitted to provide for temporary overflow/guest parking.

8.11 Non-Discrimination. No Owner or person authorized to act for an Owner shall refuse to sell or rent, after receiving a bona fide offer, or refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny the purchase or rental of any Lot to any persons because of race, color, religion, sex, age or national origin.

8.12 Offensive Activities; Pets. No noxious or offensive activity shall be conducted on any Lot nor shall anything be done thereon which is or may become an annoyance or nuisance within the Property or any portion thereof. No animals, livestock, or poultry of any kind shall be raised, bred or kept on any Lot, except that dogs, cats or other household pets may be kept; provided that they are not kept, bred or maintained for commercial purposes and further provided that all Owners shall comply with the applicable ordinances of the City of Arlington, Texas.

8.13 Solid Waste/Weeds. No person shall dump or burn rubbish, garbage, or any other form of solid waste on any Lot or on Common Property. Except for building materials employed during the course of construction of any Structure, no lumber, metals, building materials or solid waste of any kind shall be kept, stored or allowed to accumulate on any Lot.

If rubbish, garbage, or any other form of solid waste is to be disposed of by being collected on a regular and recurring basis, containers may be placed in the open after sunset on the day prior to the day that a pick-up is to be made, in order to provide access to persons making such pick-up. All other times such containers shall be screened or enclosed such that they are not visible from the front of the Residence.

If after ten (10) days prior written notice an Owner shall fail to (i) control weeds, grass and/or other unsightly growth; (ii) remove trash, rubble, building and construction debris; or (iii) exercise reasonable care or conduct to prevent or remedy an unclean, untidy or unsightly condition, then Declarant or the Board shall have the authority and right to go onto said Lot for the purpose of mowing and cleaning said Lot and shall have the authority and right to assess and collect from the Owner of such Lot a sum not to exceed five hundred dollars (\$500.00) for mowing or cleaning said Lot on each respective occasion of such mowing or cleaning.

The assessments, together with interest (at the highest permitted lawful rate per annum) thereon and any costs of collection thereof, shall be a charge on the Lot and shall be a continuing lien upon the Lot against which such assessment is made. Each such assessment, together with interest thereon and costs of collection thereof, shall also be the continuing personal obligation of the Owner of such Lot at the time when the assessment occurred. The lien securing any such assessment shall be subordinate and inferior to the

lien of any mortgage and any renewals or extensions thereof existing prior to the assessment date.

8.14 Antennas/Aerials/Ventilation Pipes. All television antennas and other antennas and aerials shall be located inside the attic or under the roof so as to be completely hidden from view. Satellite dishes shall be permitted only if they are not visible from the street. No towers shall be permitted. Ventilation pipes, where possible, shall be located at the rear of the structure(s) and painted to match the roof.

8.15 Oil Tanks. No tank of oil or inflammable fluid may be constructed or maintained on any Lot above the surface thereof. No oil drilling, oil development operations, oil refining, gas exploration, drilling and operations or quarrying shall be permitted on any residential lot in the Subdivision.

8.16 Tennis Court/Recreational Equipment. Tennis courts are expressly prohibited by the Committee. Basketball goals, backboards and nets shall only be permitted if they are not directly visible from any street. Recreational and playground equipment shall be placed or installed only upon the rear of a Lot. No aboveground pools shall be allowed.

8.17 Other Restrictions. The Declarant may include restrictions other than those set out in this document in any contract or deed to any lots or plots without otherwise modifying the general plan above outlined.

The restrictions herein set out shall be deemed to be referred to, adopted and made a part of each and every contract and deed executed by and on behalf of the Declarant, any Owner or any other person or entity conveying all or any of the Property, as though incorporated in full therein; and each such contract and/or deed shall be conclusively held to have been so executed, delivered and accepted upon the express conditions herein stated.

All of the restrictions, covenants, reservations, liens and charges appearing in these Declarations, as well as those appearing in any contract, deed, or other conveyance to or covering any part of the Property, shall be construed together, but if any one of the same shall be held to be invalid, or for any reason is not enforceable, none of the other shall be affected or impaired thereby, but shall remain in full force and effect.

ARTICLE IX **EASEMENTS, ZONING AND RESTRICTIONS**

9.01 Zoning and Private Restrictions. None of the covenants, restrictions or easements created or imposed by this Declaration shall be construed as permitting any action prohibited by the recorded subdivision plat of the Development, applicable zoning laws, or by the laws, rules or regulations of any governmental body that are applicable to the Development. In the event of any conflict between such laws, rules or regulations and the covenants, restrictions and easements created or imposed by this Declaration, the most restrictive provision shall govern and control.

9.02 Easements.

(a) Easement for Perimeter Fencing. The Declarant (so long as the Declarant owns a Lot) and the Association shall have an easement and full rights of access, ingress, egress and use over the Property (including any and all Lots in the Development) to construct, maintain and replace (but shall not be required to so construct) a fence around the perimeter of the Property.

(b) Easement for Common Property Construction and Maintenance. The Declarant (so long as the Declarant owns a Lot) and the Association shall have an easement and full rights of access, ingress, egress and use over a five feet (5') wide strip on each Lot extending along the boundary of all Common Property to facilitate the construction, maintenance and replacement of any improvement on the Common Property; provided, however, the Association must repair any damage to a Lot caused by the construction, maintenance or replacement of any improvement on the Common Property.

(c) Utility Easements. The recorded plat of the Property shows utility easements over the Lots and the Common Property. All such utility easement areas are hereby reserved for the benefit of any and all bonafide public utility service companies, cable companies and telephone companies who shall have the right of access, ingress, egress and use of the areas for the installation and maintenance of utility facilities to serve the Development. Additionally, the Declarant (so long as the Declarant owns a Lot) and the Association shall have full rights of access, ingress, egress and use of such utility easement areas for the installation, operation, maintenance, repair or removal of any utility or obstruction that may be placed on such easement.

(d) Police Power Easement. With respect to the common properties and streets, easements and right-of-ways within the Property, all governmental agencies and authorities shall have full rights of ingress, egress, and access for personnel and emergency vehicles for maintenance, police and fire protection, drainage and other lawful police powers designed to promote the health, safety and general welfare of the residents within the Development.

(e) Surface Water Run-off Easement. The Pond Property shall be burdened with such easements as may be granted in accordance with Section 3.07.

ARTICLE X
ENFORCEMENT

10.01 Right of Enforcement. This Declaration and the Restrictions contained herein shall inure to the benefit of and shall be enforceable by (i) the Declarant so long as it is an Owner, (ii) the Association, and (iii) each Owner, his legal representatives, heirs, successors and assigns.

10.02 Right of Abatement.

(a) Except where different notice provisions are provided herein, in the event of a violation or breach of any Restriction contained in this Declaration, the Association shall give written notice by certified mail to the Owner setting forth in reasonable detail the nature of such violation or breach and the specific action or actions needed to be taken to remedy such violation or breach. If the Owner shall fail to take reasonable steps to remedy such violation or breach within thirty (30) days after the mailing of said written notice, then the Association shall have the right of abatement (“Right of Abatement”) set forth below in addition to any and all other remedies available at law or in equity.

(b) The Right of Abatement, as used in this Section and elsewhere in these Declarations, means the right of the Association to enter at all reasonable times upon any Lot or Structure, as to which a violation, breach or other condition to be remedied exists, and to take the actions specified in the notice (referenced above) to the Owner to abate, extinguish, remove or repair or otherwise cure such violation, breach or other condition which may exist thereon contrary to the provisions hereof, without being deemed to have committed a trespass or wrongful act solely by reason of such entry and such actions, provided such entry and such actions are carried out in accordance with the provisions of this Section. The costs of the Association related to the exercise of the Right of Abatement (including the costs of collection, including reasonable attorneys’ fees), together with interest thereon at the lower of the highest rate permitted by Law or eighteen percent (18%), shall be a binding personal obligation of the Owner of the Lot subject to the Right of Abatement, enforceable in law, and the lien granted under Article V hereof on such Owner’s Lot, enforceable pursuant to the provisions of Section 10.04 hereof shall secure such costs.

10.03 Specific Performance. Nothing contained in this Declaration shall be deemed to affect or limit the rights of the Declarant, the Association or any Owner to enforce the Restrictions by appropriate judicial proceedings or to recover damages or any other relief available at law or in equity. However, it is hereby declared that it may be impossible to measure accurately in money the damages which will accrue to a beneficiary hereof, its transferees, successors or assigns, by reason of a violation of, or failure to perform any of the obligations provided by, this Declaration; and, therefore, any beneficiary hereof shall be entitled to relief by way of injunction or specific performance as well as any other relief available at law or in equity, to enforce the provisions hereof.

10.04 Collection of Assessments and Enforcement of Lien.

(a) If any assessment, interest, cost or other charge is not paid as required by this Declaration, the Association may (i) bring an action at law against the Owner personally obligated to pay the same, (ii) bring an action to foreclose any lien created by this Declaration against the Lot or Lots subject to the lien (which shall include the right, but not the obligation to file a notice of lien against said Lot in the deed records of Tarrant County), for purpose of collecting such assessment, cost or charge, plus any

interest thereon and costs of collection, including reasonable attorneys' fees. These rights and remedies are in addition to all other remedies available at law or in equity.

(b) As an additional remedy, but in no way as a limitation on the remedies, if any Assessment, interest, cost or other charge is not paid as required by this Declaration, each Owner hereby grants to the Association and its assigns the following irrevocable power of attorney and power of sale: To sell, by non-judicial foreclosure, the said Lot or Lots subject to the lien at auction, at the usual place for conducting the sales at the courthouse in Tarrant County, Texas to the highest bidder for cash, after providing to the Owner all notices and performing all acts required by Section 51.002 of the Texas Property Code, all other notices being hereby waived by each Owner; and the Association or any person on behalf of the Association, or its assigns, may bid and purchase at such sale and thereupon execute and deliver to the purchaser or purchasers at such sale a conveyance of said property in fee simple, which conveyance shall contain recitals to the happenings of the default upon which the execution of the power of sale herein granted depends;

and each Owner hereby constitutes and appoints the Association and its assigns, the agent and attorney in fact of each Owner to make such recitals, and hereby covenants and agrees that the recitals so to be made by the Association, or its assigns, shall be binding and conclusive upon the Owner whose property is the subject matter of such sale;

and the heirs, executors, administrators and assigns of such Owner, and the Association or its assigns shall collect the proceeds of such sale, and after reserving there from the entire amount of Assessment, interest, cost or other charge due, together with all costs and expenses of sale and reasonable attorneys' fees, shall pay any excess to such Owner, or to the heirs or assigns of such Owner as provided by law. The power and agency hereby granted are coupled with an interest and are irrevocable by death, incapacity, or otherwise and are granted as cumulative to the remedies for collection of said indebtedness provided by law.

(c) WAIVER. EACH OWNER, BY ACCEPTANCE OF A DEED CONVEYING A LOT SUBJECT TO THIS DECLARATION, TO THE FULLEST EXTENT PERMITTED BY LAW WAIVES ANY RIGHT WHICH THE OWNER MAY HAVE UNDER THE CONSTITUTION OR THE LAWS OF THE STATE OF TEXAS, (EXCEPTING SECTION 51.002 OF THE TEXAS PROPERTY CODE) OR THE CONSTITUTION OR THE LAWS OF THE UNITED STATES OF AMERICA TO NOTICE OR TO A JUDICIAL HEARING PRIOR TO THE EXERCISE OF ANY RIGHT OR REMEDY PROVIDED BY THIS DECLARATION, AND EACH OWNER WAIVES THE OWNERS RIGHTS, IF ANY, TO SET ASIDE OR INVALIDATE ANY SALE DULY CONSUMMATED IN ACCORDANCE WITH THE PROVISIONS OF THIS DECLARATION ON THE GROUND (IF SUCH BE THE CASE) THAT THE SALE WAS CONSUMMATED WITHOUT A PRIOR JUDICIAL HEARING. ALL WAIVERS BY EACH OWNER IN THIS PARAGRAPH HAVE BEEN MADE VOLUNTARILY, INTELLIGENTLY AND KNOWINGLY, AFTER THE OWNER HAS FIRST BEEN ALLOWED THE OPPORTUNITY TO CONSULT LEGAL COUNSEL WITH RESPECT TO THE OWNER'S POSSIBLE RIGHTS.

10.05 No Waiver. The failure of the Declarant, the Association, or the Owner of any Lot, his or its respective legal representatives, heirs, successors and assigns, to enforce any Restrictions herein contained shall in no event be considered a waiver of the right to do so thereafter, as to the same violation or breach or as to any violation or breach occurring prior or subsequent thereto.

ARTICLE XI **DURATION AND AMENDMENT**

11.01 Duration. 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 an original thirty (30) year term expiring on the thirtieth (30th) anniversary of the date of recordation of this Declaration, after which time this Declaration shall be automatically extended for successive periods of ten (10) years unless an instrument is signed by the Owners of at least fifty-one percent (51%) of all Lots within the Property and recorded in the Deed Records of Tarrant County, Texas, which contains and sets forth an agreement to abolish this Declaration; provided, however, no such agreement [where approved by less than seventy-five percent (75%) of the Owners of all Lots within the Properties] to abolish shall be effective unless made and recorded one (1) year in advance of the effective date of such abolishment.

11.02 Amendments by Declarant. During any period which Declarant retains the right to appoint and remove any directors and officers of the Association, Declarant may amend this Declaration by an instrument in writing filed and recorded in the deed records of Tarrant County, Texas, without the approval of any Member or mortgagee; provided, however, that (i) in the event that such amendment materially alters or changes any Owner's right to the use and enjoyment of such Owner's Lot as set forth in this Declaration or if such amendment adversely affects the title to any Lot, such amendment shall be valid only upon the written consent thereto by a majority in number of the then existing Members affected thereby, and (ii) in the event that such amendment would materially and adversely affect the lien status, security and interest of any mortgagee, such amendment shall be valid only upon the written consent thereto by the mortgagee so affected. Any amendment made pursuant to this Section 11.02 shall be certified by Declarant as having been duly approved by Declarant, and such Members and mortgagees if required, and shall be effective only upon recordation or at such later date as shall be specified in the amendment itself. Each Owner, by acceptance of a deed or other conveyance to a Lot, agrees to be bound by such amendments as are permitted by this Section 11.02 and further agrees that, if requested to do so by Declarant, but without implying a requirement to obtain any consent, such Owner will consent to the amendment of this Declaration or any other instruments relating to the Development (i) if such amendment is necessary to bring any provision hereof or thereof into compliance or conformity with the provisions of any applicable governmental statute, rule or regulation or any judicial determination which shall be in conflict therewith, (ii) if such amendment is necessary to enable any reputable title insurance company to issue title insurance

coverage with respect to any Lots subject to this Declaration, (iii) if such amendment is required by an institutional or governmental lender, purchaser or guarantor of mortgage loans, including, for example, the Federal National Mortgage Association, or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on any Lot subject to this Declaration, (iv) if any such amendment is necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on the Lots subject to this Declaration, or (v) if such amendment is necessary to correct a scrivener's error in the drafting of this Declaration.

11.03 Amendments by Association. Amendments to this Declaration, other than those authorized by Section 11.02 hereof, shall be proposed and adopted in the following manner:

(a) Notice of the subject matter of the proposed amendment shall be included in the notice of the meeting of the Association at which such proposed amendment is to be considered and shall be delivered to each member of the Association.

(b) At such meeting, a resolution adopting a proposed amendment may be proposed by either the Board or by Members of the Association. Such amendment must be approved by Members holding at least seventy-five (75%) of the total votes in the Association; provided, however, (i) that any amendment that materially and adversely affects the lien status, security and interest of any mortgagee must be approved by such mortgagee and (ii) during any period in which Declarant has the right to appoint and remove officers and directors of the Association, such amendment must be approved by Declarant.

(c) The agreement of the required percentage of the Owners and, where required, the Declarant and any mortgagee, to any amendment of this Declaration, shall be evidenced by their execution of such amendment, or, in the alternative, and provided that Declarant does not then have the right to approve such amendment, the sworn statement of the President and any Vice President or the Secretary of the Association attached to or incorporated in the amendment executed by the Association, which sworn statement shall state unequivocally that the Agreement of the required parties was lawfully obtained. Any such amendment of this Declaration shall become effective only when recorded or at such later date as may be specified in the Amendment itself.

ARTICLE XII **MISCELLANEOUS**

12.01 No Reverter. No restriction herein is intended to be, or shall be construed as a condition subsequent or as creating a possibility of a reverter.

12.02 Severability. A determination by a court that any provision hereof is invalid for any reason shall not affect the validity of any other provision hereof.

12.03 Headings. The headings of the Articles and sections hereof are for convenience only and shall not affect the meaning or interpretation of the contents of this Declaration.

12.04 Gender. Throughout this Declaration, where appropriate, the masculine gender shall be deemed to include the feminine and neuter genders, and the singular shall include the plural, and vice versa.

12.05 Notices. All amendments, notices, requests, objections, waivers, rejections, agreements, approvals, disclosure or consent of any kind made pursuant to this Declaration, whether made by the Declarant, the Association, the Owner, or any other person, shall be in writing. All such writings shall be sufficient only if deposited in the United States Mail, certified or registered, return receipt requested, with sufficient postage, and sent to the following addresses:

(a) Declarant:

LV Development, Ltd.
2229 W. Division Street
Arlington, TX 76012
Attention: Charles R. Dodson

(b) Owner: Each Owner's address as registered with the Association in accordance with the Bylaws. Any written communication with this Section 12.05 shall be deemed received on the third (3rd) day following the day such written notice is deposited in the United States Mail in accordance with this Section.

12.06 NO LIABILITY. DECLARANT HAS, USING BEST EFFORTS AND ALL DUE DILIGENCE, PREPARED AND RECORDED THIS DECLARATION SO THAT EACH AND EVERY OWNER SHALL HAVE THE RIGHT AND THE POWER TO ENFORCE THE TERMS AND PROVISIONS OF THIS DECLARATION AGAINST EVERY OTHER OWNER. HOWEVER, IN THE EVENT THAT THIS DECLARATION IS, FOR ANY REASON WHATSOEVER, UNENFORCEABLE BY AN OWNER (OR ANY OTHER PERSON) IN A COURT OF LAW OR OTHERWISE, DECLARANT SHALL HAVE NO LIABILITY OF ANY KIND AS A RESULT OF SUCH UNENFORCEABILITY, AND EACH AND EVERY OWNER, BY ACCEPTANCE OF A DEED CONVEYING A LOT, ACKNOWLEDGES THAT DECLARANT SHALL HAVE NO SUCH LIABILITY.

ARTICLE XIII
MORTGAGEE PROVISIONS

Notwithstanding any other provisions of these Declarations or the Bylaws or Articles of Incorporation of the Association, the Declarant (so long as the Declarant retains the right to appoint and remove the directors and officers of the Association) and the Association, in each of their sole discretion, have the right (but not the obligation) to amend these Declarations without the vote of the Members to the extent necessary or prudent to meet the minimum requirements of any holder of an Institutional Mortgage to enable the Owners or prospective Owners to take part in any lending transaction to finance or refinance the acquisition of a Lot or construction of a Structure. The term "Institutional Mortgage" means and refers to any bona-fide mortgage, lien or security interest held by a bank, trust company, insurance company, savings and loan association or other recognized lending institution, or by an institutional or governmental purchaser of mortgage loans in the secondary market, such as the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation or their successors, or guaranteed or subsidized by the FHA and/or VA.

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IN WITNESS WHEREOF, the Declarant has caused this Declaration to be duly executed as provided in the acknowledgment set forth hereinafter but to be effective as of _____, 2005.

LV Development, Ltd.

By: _____
JERRY L. DODSON
Dodson Development, Ltd., its general partner

'THE STATE OF TEXAS '
'COUNTY OF TARRANT '

This instrument was acknowledged before me on the ___ day of _____, 2005, by Jerry L. Dodson, President of Mini Warehouse Company, Inc, a Texas Corporation, general partner of Dodson Development, Ltd. a Texas limited partnership, on behalf of LV Development, Ltd.

[Seal] Notary Public in and for the State of Texas

EXHIBIT “A”

Legal Description