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Parties: POSSUM KINGDOM PROPERTY OWNERS ASSOCIATION INC

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Bobbie Smith, County Clerk  
Palo Pinto County, Texas

36 Pages



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COUNTY OF PALO PINTO

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Bobbie Smith, County Clerk

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**AMENDED AND RESTATED RULES AND DESIGN GUIDELINES FOR**

**THE POSSUM KINGDOM COMMUNITIES  
("DEVELOPMENT")**

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GENERAL PROVISIONS GOVERNING  
THE USE OF COMMON AREAS**

**PART II  
PROVISIONS GOVERNING COLLECTION AND FINING**

**ADOPTED BY  
BOARD OF DIRECTORS**

**PART III  
DESIGN GUIDELINES**

**ADOPTED BY  
THE ACC**

MAY 21, 2008

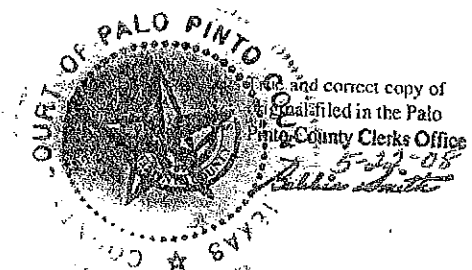


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 5<sup>th</sup> Feb - 08  
*Ralphie Smith*

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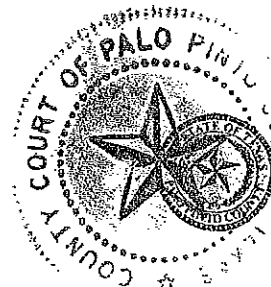
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*Robin Smith*

## PART I

### GENERAL PROVISIONS

Part I and Part II of these Rules are established by the Board of Directors ("Board of Directors") of the Association and Part III of these Rules are established by the ACC effective as of May ~~2014~~, pursuant to the rule-making and rule-enforcement authority granted to the Board of Directors and the ACC, respectively.

These Amended and Restated Rules amend and restate the prior "Rules and Regulations" of the Association in their entirety, and are in addition to the provisions of the Declaration and the Bylaws. In the event of a conflict among the Governing Documents, the order of governing authority shall be as follows: the Restrictive Covenants, the Declaration, Certificate of Formation, Bylaws, the Design Guidelines and then the remaining provisions of these Rules (lowest). The Board of Directors and the ACC are empowered to interpret, enforce, amend, and repeal Part I and Part II of these Rules and the Design Guidelines, respectively.

#### A. DEFINITIONS

The following terms are defined for use in these Rules and those capitalized terms not expressly defined herein have the same meaning as defined in the Declaration:

"ACC." The Architectural Control Committee, a committee which has the rights and duties as described Part III of these Rules.

"Accessory Building." A subordinate building located on a Lot, either attached to or detached from a Dwelling, including ancillary living quarters, such as a guest house.

"Amenities Center." A recreational facility owned or to be owned by the Association for the common use and enjoyment of the Owners, which contains a swimming pool and clubhouse and constitutes a portion of the Common Areas.

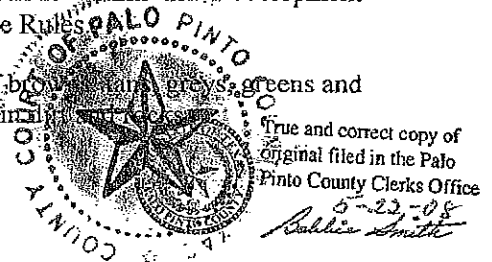
"Association." Possum Kingdom Property Owners Association, Inc., a Texas nonprofit corporation, organized under the TNCL and created for the purposes and possessing the rights, powers and authority set forth in the Governing Documents.

"Community-Wide Standard." The standard of conduct, maintenance, or other activity generally prevailing throughout the Development. Such standard shall initially be established by the ACC pursuant to the Design Guidelines.

"Declaration." The Declaration of Covenants, Conditions and Restrictions for the Possum Kingdom Communities, and all recorded amendments thereto.

"Design Guidelines." The design and construction guidelines and application and review procedures applicable to the Development as a whole or specific sections within the Development promulgated and administered by the ACC, as described in Part III of these Rules.

"Earth Tones." A color scheme that draws from a color palette of browns, tans, greys, greens and reds, which are muted and flat in an emulation of the natural colors found in the



"Facilities." Any recreational facilities owned or to be owned by the Association that are located in the Development including the Amenities Center, the Pavilion, the boat launch, and all parks and outdoor trails.

"Garage/Carport." All parking garages and carports, constructed within a Lot for the purpose of parking automobiles.

"Front Line." Any boundary line of a Lot which is adjacent to a public or private road and which the front of proposed Improvements face.

"Manager" or "Management Office." The management staff in the Development's management office who are employees of the Association or its managing agent.

"Owner." One or more Persons owning fee title to any Lot, including Declarant but excluding in all cases any party holding an interest merely as security for the performance of an obligation.

"Pavilion." An outdoor pavilion area owned or to be owned by the Association for the common use and enjoyment of the Owners, which constitutes a portion of the Common Areas.

"Plans." All site plans or drawings with respect to a Lot showing all existing or proposed Improvements, floor plans and elevations of all faces of proposed Improvements, descriptions of exterior construction materials, proposed landscaping and a description of the nature, kind, shape, height, materials and location of the same, together with such other information as the ACC deems necessary.

"Posted Rules." Rules and signs posted by the Association at any time on the Property from time to time.

"Rules." These Amended and Restated Rules and Design Guidelines, and the Posted Rules and Temporary Rules.

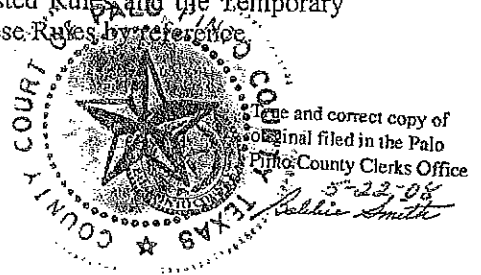
"Temporary Rules." Notices communicated to the Owners by the Association from time to time or at any time which rules are seasonal or temporary in nature or notices of change affecting the use of the Development.

"Tenant." Any Person having the right to occupy a Lot pursuant to a lease or other occupancy agreement granted by an Owner, to the extent allowed by the Governing Documents.

## B. COMPLIANCE

1. Compliance. Each Owner will comply with the provisions of the Governing Documents and any other policies or Rules adopted by the Board of Directors or the ACC to supplement the Governing Documents, as any of these may be revised from time to time. Additionally, each Owner shall be responsible for ensuring compliance with the Governing Documents by all Persons using or occupying such Owner's Lot, including its guests, visitors, agents, employees and invitees. If a Rule requires, prohibits or permits conduct by an "Owner" or "Tenant," each of those terms shall be deemed to include the other, and applies to all persons for whom an Owner or Tenant is responsible.

2. Additional Rules. Each Owner must comply with the Posted Rules and the Temporary Rules. The Posted Rules and the Temporary Rules are incorporated into these Rules by reference.



3. Waiver. Circumstances may warrant waiver or variance of Part I or Part II of these Rules. To obtain a waiver or variance, an Owner must make written application to the Board of Directors. The Board of Directors will consider such request and respond to the Owner in accordance with the Governing Documents. If the application is approved, the waiver or variance must be in writing, and may be conditioned or otherwise limited.

4. Right to Enforce. The Association has the right to enforce Part I and Part II of these Rules against any Person on within the Development.

### C. OBLIGATIONS OF OWNERS

1. Safety. Each Owner is solely responsible for such Owner's own safety and for the safety, well-being and supervision of such Owner's guests and any person within Development to whom the Owner has a duty of due care, control, or custody.

2. Damage. Except as otherwise provided in the Governing Documents, an Owner is responsible for any loss or damage the Owner causes to its own Lot, other Lots, the Common Areas or the personal property of other Owners.

3. Insurance. An Owner assumes full risk and sole responsibility for placing such Owner's personal property in or on the Common Areas. Each Owner is solely responsible for insuring such Owner's Improvements and personal property on its Lot. The Association recommends that all Owners and Tenants purchase and maintain appropriate insurance coverage on their personal belongings, vehicles and Lots.

4. Risk Management. An Owner may not permit anything to be done or kept in its Lot, or the Common Areas that is illegal or that may result in the cancellation or increase in any insurance premiums paid by the Association or any other Owner in connection with the Development.

5. Reimbursement for Enforcement. Each Owner shall promptly reimburse the Association on demand for any expense incurred by the Association to enforce the Governing Documents against such Owner or its Lot.

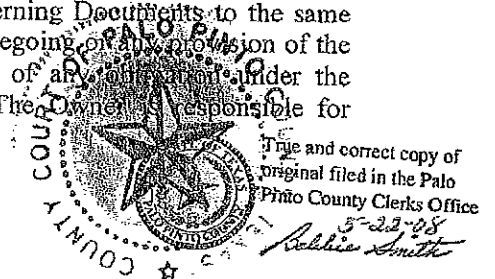
6. Reimbursement for Damage. Except as otherwise provided in the Governing Documents, each Owner shall promptly reimburse the Association on demand for the cost of damage caused by the negligent or willful conduct or omission of such Owner.

### D. LEASES

1. Term and Conditions of Lease. Except for those Lots owned and leased by Declarant, which are not subject to these restrictions on leasing, an entire Lot (but not less than an entire Lot) may be leased for private residential purposes only and may not be leased for a term of less than one year.

2. Written Leases. Each lease of a Lot must be in writing and must be fully executed by the Owner and the Tenant.

3. Subject to Documents. The mere execution of a lease for a Lot or occupancy (for any period of time) subjects a Tenant to all pertinent provisions of the Governing Documents to the same extent as if Tenant were an Owner; provided that, notwithstanding the foregoing, or any provision of the lease between Owner and a Tenant, the Owner shall not be relieved of any obligation under the Governing Documents and shall remain primarily liable thereunder. The Owner is responsible for



providing a Tenant with the Governing Documents and notifying the Tenant of any changes therein. The Association may send notices of violations by a Tenant to both the Tenant and to the Owner of the Lot Occupied by the Tenant. Whether or not it is so stated in the lease, a Tenant's violation of the Governing Documents is deemed to be a material default of the lease for which Owner has all available remedies at law or equity.

4. Landlord Owners. Owners of Tenant-occupied Lots are advised to stay informed of and to comply with federal and state laws and local ordinances regulating residential rental properties and relations between landlords and tenants. The Association has no duty to notify Owners about landlord/tenant laws and ordinances.

5. Tenant Communications. Owners shall instruct their Tenants to channel all communications (including non-emergency repair requests) through the Owner. Owners will further instruct their Tenants that the Association does not manage or repair the Lots, and that the Tenant should not contact the Association (except as may be required by the Governing Documents or to report emergencies that are within the Association's scope of responsibility pursuant to Governing Documents).

#### E. GENERAL USE AND MAINTENANCE OF LOT

1. Use. Except for those Lots owned by Declarant, each Lot must be used solely for private residential use, and may not be used for any commercial or business purposes. This restriction does not prohibit an Owner from using the Lot for personal, business, or professional purposes, provided that: (a) such use is incidental to the Lot's residential use; (b) such use conforms to all applicable Legal Requirements; (c) there is no external evidence of such use; and (d) such use does not entail excessive visits to the Lot by the public, employees, suppliers, or clients. The use of all Lots shall be in accordance with the Governing Documents.

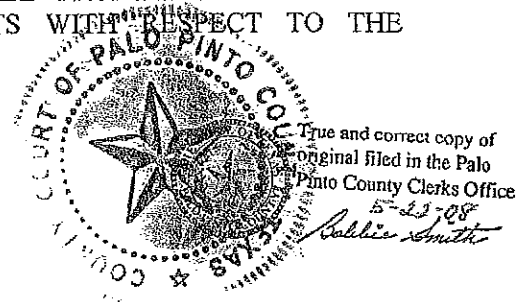
2. Annoyance. An Owner may not use a Lot in a way that: (a) annoys other Owners; (b) reduces the desirability of the Development as a residential community; (c) endangers the health or safety of other Owners; or (d) violates any law or any provision of the Governing Documents.

3. Right of Entry. The Association may enter a Lot in case of an emergency originating in or threatening the Lot, whether or not the Owner is present at the time. This right of entry may be exercised by directors, officers, agents, and employees, and by all police officers, firefighters, and other emergency personnel in the performance of their respective duties.

4. Combustibles. Except for those products sold for exclusive use as household cleaning products or used in the operation of lawnmowers or other equipment, an Owner may not store or maintain explosives or other combustible materials anywhere on the Property, including within its Lot.

5. Report Malfunctions. An Owner shall immediately upon discovery, report to the Association any leak, break, or malfunction in any portion of the Property which the Association has a duty to maintain. An Owner who fails to promptly report a problem may be deemed negligent and may be liable for any additional damage caused by the delay.

6. Compliance with Laws. EACH OWNER SHALL PROMPTLY AND FULLY COMPLY WITH ANY AND ALL LEGAL REQUIREMENTS WITH RESPECT TO THE OCCUPANCY AND USE OF ITS LOT.





F. GENERAL USE AND MAINTENANCE OF COMMON AREAS

1. Intended Use. Each area within the Development may be used only for its intended and obvious purpose. For example, walkways, paths, sidewalks and driveways are used exclusively for purposes of access and emergency egress.

2. Landscaping. No one shall harm, mutilate, alter, litter, uproot or remove any of the landscaping work on or within the Common Areas, or place or affix any planters, statues, fountains, ornamental objects or artificial plants upon any portion of the Common Areas without the prior written consent of the Association. Digging, planting, pruning, and climbing in any landscaped areas within the Common Areas are expressly prohibited.

3. Courtesy. Each Owner will endeavor to use the Common Areas in a manner calculated to respect the rights and privileges of other Owners and other users of the Property. Each Owner will refrain from conduct that may reasonably be expected to inconvenience, embarrass, or offend the average Owner in the Development and other users of the Property.

4. Code of Conduct. Owners will conduct themselves in a civil manner when dealing with the Association's officers, directors, committee members, employees, contractors, agents, and other Owners. In return, the Owners are due the same courtesy and civility. The following actions are expressly prohibited: (a) verbal abuse; (b) insults and derogatory name-calling; (c) cursing; (d) aggressive or threatening behavior; (e) hostile touching or physical contact; (f) sexual harassment; (g) posting correspondence on the doors of directors and officers; and (h) phone calls that are designed, by their tone, time, or frequency, to harass or intimidate. No person has the right to abuse another, or the duty to tolerate abuse.

5. Association Employees. Owners may not instruct, direct, or supervise the Association's employees and agents, unless directed to do so by the Board of Directors. Owners may not interfere with the performance of duties by the Association's employees, and will refrain from monopolizing the time or attention of the Association's employees.

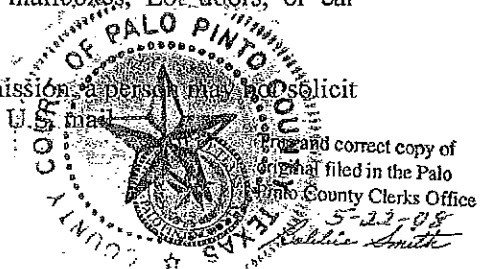
6. No Hiring of Employees. The employees and agents of the Association are not permitted or authorized to render personal services to Owners. The Owners will not request or encourage employees or agents to violate this provision.

7. Communications among Owners. The Association bears a duty to balance the right of members to communicate with each other against the desire of the Owners and Tenants to be free of uninvited solicitations and misleading communications. To achieve that balance, oral and written communications that are intended for delivery to more than one Owner are subject to this section.

(a) Without the Board of Directors' prior written permission, Owners may not communicate with others in a manner that may give the impression of having been approved or sanctioned by the Association. In communicating with other Owners, the issuer should identify himself and state that the communication has not been sanctioned by the Association.

(b) Without the Board of Directors' prior written permission, a person may not distribute handbills or hand-deliver written communications to mailboxes, lot doors, or car windshields.

(c) Without the Board of Directors' prior written permission, a person may not solicit information, endorsements, or money from Tenants, except via the U.S. mail.



8. Annoyance. Owners will avoid doing or permitting anything to be done that will annoy, harass, embarrass, or inconvenience other Owners, their guests, or the Association's employees and agents.

9. Noise and Odors. Each Owner will exercise reasonable care to avoid making or permitting to be made loud, disturbing, or objectionable noises or noxious odors that are likely to disturb other Owners.

10. Reception Interference. Owners will avoid doing or permitting anything to be done that may unreasonably interfere with the television, radio, telephonic, or electronic reception on or about the Development.

11. Vehicles. Automobiles and non-commercial trucks and vans shall be parked only in Garage/Carports or in the driveways serving the Lots unless otherwise approved by the ACC; provided, however, Declarant and/or the Association may designate certain on-street parking areas for visitors or guests subject to reasonable rules. Such vehicle shall be considered a nuisance and may be removed from the Development. Recreational vehicles, such as motor homes, boats, jet skis or other watercraft, trailers, other towed vehicles, motorcycles, "all terrain" vehicles, minibikes, scooters, go-carts, golf carts, campers, commercial trucks and commercial vans may not be parked on a driveway or other area of a Lot that is visible from the street.

12. Firearms. The discharge of firearms is prohibited within the Development. The term "firearms" includes "B-B" guns, pellet guns, and firearms of all types. The Board of Directors may impose additional fines and exercise other enforcement remedies in the Governing Documents to enforce this restriction, but shall not be obligated to exercise self-help to prevent any such discharge.

13. Hunting. Hunting of any kind shall be prohibited within the Development. This includes the hunting of animals by firearms, bowhunting, traps, slingshots or other means of harming, targeting or entrapping wildlife or domesticated animals.

14. Dirt Bikes. Dirt bikes and similar two-wheeled motorized vehicles are forbidden on all roads and other Common Areas within the Development and may only be used on Lots.


15. Incidental Bodies of Water. The Association shall not be responsible for any loss, damage, or injury to any person or property arising out of the authorized or unauthorized use of lakes, ponds, or streams within or adjacent to the Development. In addition, the Association shall not be responsible for maintaining, increasing or decreasing the water level within any lake or other water body or removing vegetation from any lake or other water body.

16. Resolution by Arbitration. All disagreements between an Owner and the Association as a representative of another Owner, with regard to whether or not noises, odors or particular conduct are loud, disturbing, objectionable or otherwise annoying as contemplated in Part I and Part II of these Rules shall be resolved in accordance with the terms of the Declaration.

#### G. USE OF FACILITIES

1. Access to Facilities. The Association may, in its sole and absolute discretion, designate the hours of access to the Facilities, as well as restrict the use thereof, by requiring pre-scheduling and limiting the amount of time available to each Owner to ensure fair access. The use of the Facilities is subject to compliance with these Rules. Persons using the Facilities must, at all times, respect the rights and privileges of others using the Facilities.

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5-22-08  
Rabbi Smith



2. Amenities Center. The Amenities Center consists of a clubhouse, swimming pool and pavilion. The clubhouse is available to Owners by reservation as described below

3. Guests. Except for Tenants, a non-Owner may not use the Facilities unless accompanied at all times by an Owner. Each Owner agrees to assume all responsibility for the care, safety and well-being of such Owner's guest or invitee relating to the use of the Facilities. The right of an Owner to share the use of the Facilities with such Owner's guests or invitees is at all times subject to the immediate termination by the Board of Directors if the Governing Documents are violated, or if such termination is deemed by the Board of Directors to be in the Association's best interests.

4. Number of Guests. Owners of a Lot, collectively may not have more than four guests using the Amenities Center. By reservation through the Manager, functions involving a larger number of guests may be permitted in the Amenities Center, provided, however, that the number of guests in the Amenities Center shall at all times comply with the all Legal Requirements and the maximum occupancy standards set forth therein. Reserved functions must be confined to the clubhouse, and the host Owner must ensure that such Owner's guests do not use the other facilities.

5. Age Restrictions for Health and Safety. In addition to the general requirement that the use of the Amenities Center by minors or legal incompetents be with the knowledge and consent of their parent or guardian, no person under the age of 14 years may be permitted in or around the Amenities Center at any time unless accompanied by a parent or legal guardian.

6. Animals Prohibited. Other than assistance animals allowed by Legal Requirements, no animals or pets are permitted in the Amenities Center at any time.

7. Disturbances Prohibited. No loud sounds or boisterous conduct is permitted in the Amenities Center at any time. No use of a radio, television, CD player or similar device is permitted in the Amenities Center unless used with headphones so that others are not disturbed, except that such devices may be permitted to be used at a reserved function in the clubhouse or the pool area as long as other Owners are not disturbed.

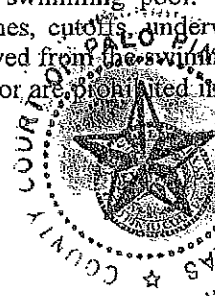
8. Glass Containers Prohibited. Containers made of glass are not permitted at any time in the swimming pool area.

9. Suspension of Privileges. The Board of Directors may suspend use of the Facilities by any Owner or guest who violates these Rules and the Design Guidelines in relation to the Facilities more than two times within a 12-month period. The length of the suspension will be determined solely by the Board of Directors, taking into consideration the facility in question and the nature and frequency of the violations. Notice of such suspension will be delivered in writing and will entitle the suspended Facilities user to a hearing before the Board of Directors.

10. Suspension for Nonpayment. The Board of Directors may suspend use of the Facilities by an Owner or by the occupants of that Owner's Lot for any period during which Assessments against that Lot are unpaid.

11. Additional Rules for Swimming Pool. In addition to the Rules and Posted Rules at the swimming pool, the following rules will condition any use of the swimming pool: (a) customary swimming attire must be worn in the swimming pool; (b) street clothes, cutoffs, underwear and nude bathing are not allowed in the pool; (c) pool furniture may not be removed from the swimming pool area; (d) running, rough play, wrestling, excessive splashing and loud behavior are prohibited in the pool area;

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(e) no person under the age of 14 years may be permitted in or around the swimming pool except pursuant to paragraph 5 above; and (f) children who are not toilet trained are not permitted in the swimming pool.

12. Reservation of the Clubhouse. In addition to the above Rules, including age and guest limitations, the following rules will condition use of the clubhouse:

(a) Reservation. The clubhouse may be reserved through the Association for a specific date not more than 60 days prior to such date. Advance notice of at least one week should be given for any reservation. Owners are limited to a total of two reservations per month. The Association may charge a fee for the reservation and use of the clubhouse in addition to the refundable deposit.

(b) Use or Function. In connection with a reservation, the Association may require the Owner to describe the purpose for which the clubhouse will be used. The right of Owners to reserve the clubhouse for private use is subject to the right of the Board of Directors to prohibit or condition certain uses or functions or to require additional security deposits.

(c) Cleaning. An Owner who has exclusive use of the clubhouse must restore the clubhouse to a neat and clean condition within two hours after the end of the period reserved or no later than 8:00 a.m. the next day following an evening use. The Association shall have the right to require a deposit in connection with an Owner's reservation of the clubhouse, and if the condition of such clubhouse is not satisfactory upon Manager's inspection, the cost of cleaning or repair will be deducted from such deposit. A minimum deduction by the Association for cleaning or repairs may be set by the Board of Directors.

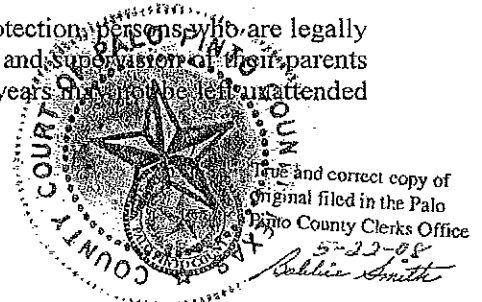
13. Release. Although all Owners, guests and invitees may be required to sign releases of liability releasing and holding harmless the Association, Board of Directors and employees from any and all liability, claims, losses, and actions arising out of or in connection with the use of any of the Facilities, the mere use of such Facilities, in and of itself, by any person shall constitute a full and complete release and indemnification of the Association, Board of Directors, employees and Manager arising out of and in connection with any such activities. **THE ASSOCIATION EXPRESSLY DISCLAIMS AND DISAVOWS ANY AND ALL REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF FITNESS OR SAFETY FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY OF THE FACILITIES OR ANY EQUIPMENT ASSOCIATED WITH THE FACILITIES.**

14. Risk. Each Owner uses the Facilities and other Common Areas at such Owner's own risk. The Facilities is unattended and unsupervised. Each Owner is solely responsible for such Owner's own safety and that of such Owner's guests. The Association disclaims any and all liability or responsibility for property damage, injury or death occurring from use of the Facilities.

#### **H. HEALTH AND WELL-BEING**

For the health, well-being and enjoyment of all Owners, the following limitations and restrictions will be observed, in addition to any Rules, Posted Rules and other warnings or notices that may be posted at the Facilities.

1. Supervision of Minors. For their own well-being and protection, persons who are legally incompetent or younger than 14 years must be under the general control and supervision of their parents or guardians at all times while on the Development. A person under 14 years may not be left unattended in the Development at any time.



EACH OWNER AND OCCUPANT OF A LOT AND THEIR RESPECTIVE LESSEES, INVITEES, LICENSEES, AND GUESTS SHALL BE RESPONSIBLE FOR THEIR OWN PERSONAL SAFETY AND SECURITY ON THEIR LOT AND WITHIN THE DEVELOPMENT. THE ASSOCIATION MAY, BUT SHALL NOT BE OBLIGATED TO, MAINTAIN OR SUPPORT CERTAIN ACTIVITIES WITHIN THE DEVELOPMENT DESIGNED TO MAKE THE DEVELOPMENT SAFER THAN IT OTHERWISE MIGHT BE. NEITHER THE ASSOCIATION, DECLARANT, THE BOARD OF DIRECTORS, THE MANAGER, NOR THE ACC SHALL IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF SECURITY WITHIN THE DEVELOPMENT, NOR SHALL ANY OF THEM BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. NO REPRESENTATION OR WARRANTY IS MADE THAT ANY SECURITY SYSTEM OR MEASURE, INCLUDING ANY MECHANISM OR SYSTEM FOR LIMITING ACCESS TO THE DEVELOPMENT, CANNOT BE COMPROMISED OR CIRCUMVENTED, NOR THAT ANY SUCH SYSTEMS OR SECURITY MEASURES UNDERTAKEN WILL IN ALL CASES PREVENT LOSS OR PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED. EACH OWNER ACKNOWLEDGES, UNDERSTANDS AND COVENANTS TO INFORM ITS TENANTS AND ALL OCCUPANTS OF ITS LOT THAT NEITHER THE ASSOCIATION, DECLARANT, THE BOARD OF DIRECTORS, THE MANAGER NOR THE ACC ARE INSURERS OR GUARANTORS OF SECURITY WITHIN THE DEVELOPMENT, AND THAT EACH PERSON USING THE DEVELOPMENT ASSUMES ALL RISKS OF PERSONAL INJURY AND LOSS OR DAMAGE TO PROPERTY, INCLUDING LOTS AND THE CONTENTS OF LOTS, RESULTING FROM ACTS OF THIRD PARTIES.

**I. TRASH DISPOSAL**

1. General Duty. Owners will endeavor to keep the Development clean and will dispose of all refuse in receptacles for that purpose and may not litter Common Areas.

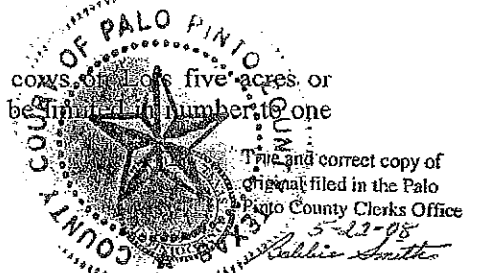
2. Hazards. Trash may not be left anywhere on the Common Areas other than in the designated receptacles. Owners may not place lighted or smoldering items, including cigarettes, in such designated trash receptacles. Owners may not store trash inside or outside its Lot in a manner that may permit the spread of fire, odors, or seepage, or encouragement of vermin.

**J. PETS AND ANIMALS**

1. Subject to Legal Requirements. All pets must conform to any applicable animal control ordinances and Legal Requirements.

2. Permitted Pets. Permitted pets include domesticated dogs, cats, rabbits and caged birds. There shall be no more than four adult dogs per household. Dogs must be kept in a kennel, dog run, or fenced in area that confines such dogs to that area. Pets shall not be permitted to run loose within the Development. If required by any Legal Requirement, any such pet(s) must be appropriately vaccinated and licensed through the Governmental Authority.

3. Large Animals. Owners may maintain horses, mules and cows on lots five acres or greater in size once residential dwelling is constructed. Such animals shall be identified in number to one



animal per acre owned by an Owner but only if such Lots are fenced with fencing capable of containing such animals.

4. Prohibited Animals. No Owner may keep a dangerous or exotic animal, trained attack dog, or any other animal determined by the Board of Directors in its sole discretion to be a potential threat to the well-being of people or other animals.

5. Leashes. Pets must be leashed or carried while in Common Areas. No pet may be leashed to a stationary object on the Common Areas. No pet is allowed, at any time, in the Amenities Center.

6. Disturbance. Pets must be kept in a manner that does not disturb another Owner's rest or peaceful enjoyment of its Lot or the Common Areas. No pet may be permitted to bark, howl, whine, yap, yip; screech or make other loud noises for extended or repeated periods of time.

7. Damage. Owners are responsible for any property damage, injury, or disturbance such Owner's pet may cause or inflict on the Common Areas and must compensate any person injured or otherwise damaged by such Owner's pet. An Owner who keeps a pet on its Lot is deemed to indemnify and agrees to hold harmless Declarant, the Board of Directors, the Association, the ACC and other Owners and Tenants, from any loss, claim, or liability of any kind or character whatever resulting from any action of such Owner's pet or arising by reason of keeping or maintaining the pet on such Lot.

8. Dog Walk and Pooper Scooper. Owners are responsible for the removal of pet's wastes from the Common Areas. The Board of Directors may levy a fine against a Lot and its Owner each time feces or urine are discovered on the Common Areas and attributed to an animal in the custody of such Owner.

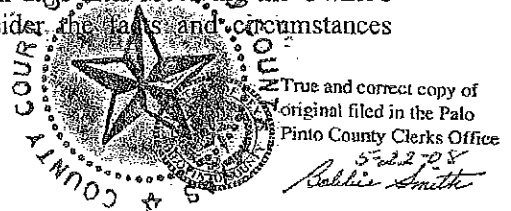
9. Removal. If an Owner or such Owner's pet violates these Rules, or if a pet creates a nuisance, unreasonable disturbance, or noise, the Owner or person having control of the animal may be given a written notice by the Board of Directors to correct the problem. After the first written warning, a fine in the amount of at least \$50 shall be levied for all future violations. If violations occur repeatedly, the Owner, upon written notice from the Board of Directors, may be required to remove the pet. Each Owner agrees to permanently remove the violating animal of such Owner from the Development within ten days after receipt of such removal notice from the Board of Directors.

10. Complaints. Any complaints about pets or Owners violating these Rules shall be made in writing to the Manager or Association and identify the type of infraction, the date of infraction, and must be signed by the witness to the infraction.

11. Compliance. Pets with a physical handicap or, to the extent permitted by applicable Legal Requirements, Owners who have a physical handicap which would prevent them from complying with these Rules, must receive a variance by the Board of Directors or Manager.

#### K. MISCELLANEOUS

1. Right to Hearing. Prior to commencement of the mediation and arbitration process in Section 11.7 of the Declaration, an Owner may request in writing a hearing by the Board of Directors regarding an alleged breach of these Rules by the Owner or any person for whom the Owner is responsible. The Board of Directors will schedule a hearing within ten days after receiving the Owner's written request. At the hearing, the Board of Directors will consider the facts and circumstances



surrounding the alleged violation. The Owner may attend the hearing in person, or may be represented by another person or written communication.

2. Mailing Address. An Owner who receives mail at an address other than the address of such Owner's Lot is responsible for maintaining with the Association such Owner's current mailing address. An Owner who changes such Owner's name or mailing address must notify the Association in writing within 15 days after the change. Notifications of change of name or change of address should be clearly marked as such. All notices required to be sent to Owners by the Governing Documents will be sent to an Owner's most recent address as shown on the records of the Association. If an Owner fails to provide a forwarding address, the address of that Owner's Lot is deemed effective for purposes of delivery.

3. No Waiver. The failure of the Association to enforce a provision of these Rules does not constitute a waiver of the right of the Association to enforce such provision in the future.

4. Severability. If any term or provision of these Rules is held to be partially or wholly invalid or unenforceable for any reason whatsoever, such holding will not affect any other term or provision of these Rules.

5. Amendment of Rules. Except for the Design Guidelines, these Rules are subject to being revised, replaced, amended or supplemented by the Board of Directors. Upon any such revision, a copy of the revisions will be delivered to each Owner. Owners are urged to contact the Association to verify the Rules currently in effect on any matter of interest. These Rules will remain effective until ten days after the Association delivers to an Owner of each Lot notice of amendment to or revocation of these Rules. The notice may be published and distributed in an Association newsletter or other community-wide publication.

6. Other Rights. These Rules are in addition to all rights of the Association under the other Governing Documents and all applicable Legal Requirements.

## PART II

### RULES GOVERNING COLLECTION AND FINING

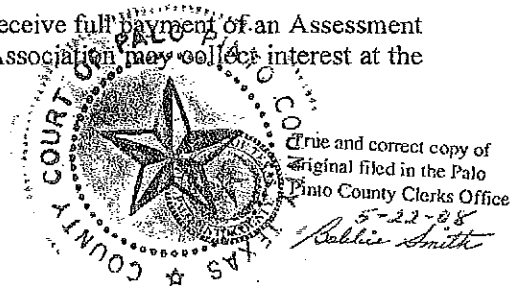
#### A. COLLECTION RULES AND PROCEDURES

To the extent permitted by applicable Legal Requirements:

1. Due Date. An Owner will timely and fully pay all Assessments in accordance with the provisions of the Declaration when due.

2. Delinquent. Any Assessment that is not fully paid when due is delinquent. When the account of a Lot becomes delinquent, it remains delinquent until paid in full. The defaulting Owner is liable to the Association for the cost of title reports, credit reports, certified mail, long distance calls, court costs, filing fees and other reasonable costs and attorneys' fees incurred by the Association in collecting the delinquency.

3. Late Fees and Interest. If the Association does not receive full payment of an Assessment by 5:00 p.m. on the fifth calendar day following the due date, the Association may collect interest at the Past Due Rate until the delinquency is paid in full.



4. Delinquency Notices. If the Association has not received full payment of an Assessment by the due date, the Association may send one or more written notices of nonpayment to the defaulting Owner stating the amount delinquent. Such delinquency-related correspondence may state that if full payment is not timely received, the Association may pursue any or all of the Association's remedies under the Governing Documents or state law at the sole cost and expense of the defaulting Owner.

5. Collection by Association's Attorney. After giving the Owner notice of the delinquency, the Association may refer the delinquent account to an attorney for collection. In that event, the defaulting Owner will be liable to the Association for its legal fees and expenses.

6. Collection Agency. The Board of Directors may employ or assign the delinquency to one or more collection agencies.

7. Notification of Mortgagee. The Association may notify the Owner's Mortgagee of the default in payment of any Assessment.

8. Notification of Credit Bureau. The Association may file a report on the defaulting Owner with one or more credit reporting services.

9. Notice of Lien. The Association shall cause a notice of the Association's assessment lien against the Lot to be publicly recorded. A copy of the notice of lien will be sent to the defaulting Owner, and may be sent to its Mortgagee.

10. Right to Accelerate. If an Assessment is payable in installments and if an Owner defaults in the payment of any installment, the Association may declare such Assessment in default and accelerate the due date on all remaining installments of that Assessment.

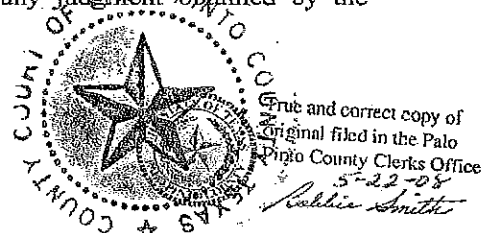
11. Notice to Owner. A Special Assessment or Individual Assessment payable in installments may be accelerated only after the Association gives the Owner at least 15 days prior notice of the default and the Association's intent to accelerate the unpaid balance if the default is not cured within such notice period.

12. No Duty to Reinstate. Following acceleration of an Assessment payable in installments, the Association has no duty to reinstate the installment program upon payment by the Owner of any delinquent installment.

13. Foreclosure of Lien -- Nonjudicially. The Board of Directors may instruct an attorney, officer or agent of the Association to notify the defaulting Owner of the Association's intent to foreclose its assessment lien, to post the Lot for sale at public auction, and to conduct a public auction of the Lot in accordance with the Governing Documents and all other requirements of state law.

14. Foreclosure of Lien -- Judicially. The Association may file suit against the Owner for judicial foreclosure of the Association's assessment lien. This action may be combined with a claim against the Owner for recovery of a money judgment.

15. Suit Against Owner. Whether or not the Association forecloses the Association's assessment lien, the Board of Directors may elect to file suit to recover delinquent Assessments against the defaulting Owner and the Owner shall be personally liable for any judgment obtained by the Association.





16. Possession Following Foreclosure. If the Association purchases the Lot at public sale, the Board of Directors may immediately institute appropriate actions to recover possession of the Lot.

17. Application of Payments. All payments received by the Association may be applied in the following order, starting with the oldest charge in each category, until that category is fully paid, regardless of the amount of payment, notations on checks, and the date the obligations arose: (a) collection costs and attorneys fees; (b) fines; (c) reimbursable expenses; (d) late charges and interest; (e) delinquent Special Assessments or Individual Assessments; (f) delinquent General Assessments; (g) current Special Assessments or Individual Assessments; and (h) current General Assessments.

18. Form of Payment. The Association may require that payment of delinquent Assessments be made only in the form of cash, cashier's check, or certified funds.

19. Partial and Conditioned Payment. The Association may refuse to accept partial payment (i.e., less than the full amount due and payable) and payments to which the payor attaches conditions or directions contrary to the Board of Directors' policy for applying payments. The Association's endorsement and deposit of a payment does not constitute acceptance. Instead, acceptance by the Association occurs when the Association posts the payment to the Lot's account. If the Association does not accept the payment at that time, it will promptly refund the payment to the payor. A payment that is not refunded to the payor within 30 days after being deposited by the Association may be deemed accepted. The acceptance by the Association of partial payment of delinquent Assessments does not waive the Association's right to pursue or to continue pursuing its remedies for payment in full of all outstanding obligations or the Association's right to apply payments pursuant to any rights herein granted.

20. Notice of Payment. If the Association receives full payment of the delinquency after recording a notice of lien, the Association will cause a release of notice of lien to be publicly recorded, a copy of which will be sent to the Owner; provided, however, the Owner prepays the reasonable cost of preparing and recording the release.

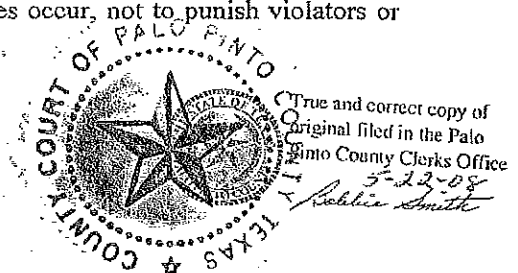
21. Notification of Credit Reporting Agency. If the Association receives full payment of the delinquency after reporting the defaulting Owner to a credit reporting service, the Association will report receipt of payment to that credit reporting service.

22. Limited Right of Redemption. If the Association buys a Lot at the non-judicial foreclosure sale of its assessment lien, the Association's ownership of such Lot is subject to a right of redemption by the Owner, as provided by the Declaration.

23. Waiver. Properly levied collection costs, late fees, and interest may not be waived by the Board of Directors, unless a majority of the Board of Directors determines that extraordinary circumstances warrant an adjustment to the account, in which case the adjustment must be described in detail in the minutes of the Board of Directors' meeting. Because of the potential for inadvertently effecting a waiver of the provisions of this policy, the Board of Directors will exercise extreme caution in granting adjustments to an Owner's account.

## **B. FINING RULES AND PROCEDURE**

1. Policy. The Association uses fines to discourage violations of the Governing Documents and to encourage present and future compliance when a violation does occur, not to punish violators or generate revenue for the Association.



2. Owners Liable. An Owner is liable for fines levied by the Association for violations of the Governing Documents whether the Owner commits the violation or Tenants, guests or other invitees of such Owner commit the violation. Regardless of who commits the violation, the Association will direct its communications to the Owner, although the Association may also send copies of its notices to the actual violator.

3. Violation Notice. Before levying a fine, the Association will give the Owner a written violation notice and an opportunity for a hearing. The Association's written violation notice will contain the following items: (a) the date the violation notice is mailed or prepared; (b) a description of the violation; (c) a reference to the rule being violated; (d) a description of the action required to cure the violation; (e) the amount of the fine; (f) a statement that not later than the 30th day after the date of the violation notice, the Owner may request a hearing before the Board of Directors to contest the fine; and (g) the date the fine attaches or begins accruing.

4. New Violation. If the Owner was not given notice and a reasonable opportunity to cure a similar violation within the preceding 12 months, the notice will state a specific date by which the violation must be cured to avoid the fine, if the violation is ongoing or continuous. If the violation is not ongoing, but is instead sporadic or periodic, the notice must state that any future violation of the same rule may result in the levy of a fine.

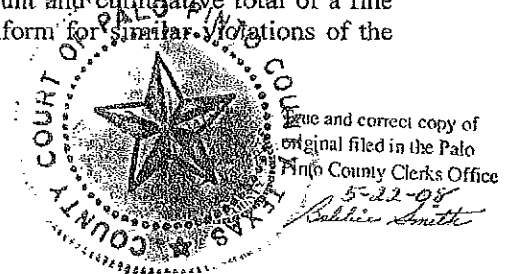
5. Repeat Violation. In the case of a repeat violation, the notice will state that, because the Owner was given notice and a reasonable opportunity to cure a similar violation within the preceding 12 months, the fine attaches from the date of the violation notice.

6. Right to Hearing. Prior to commencement of the mediation and arbitration process in Section 11.7 of the Declaration, an Owner may request in writing a hearing by the Board of Directors regarding the alleged breach of the Governing Documents. The Board of Directors has ten days after receiving the Owner's request for a hearing to give the Owner notice of the time, place and date of the hearing. The hearing must be scheduled for a date within 45 days from the date the Association receives the Owner's request and should be scheduled to provide a reasonable opportunity for both the Board of Directors and the Owner to attend. The Owner's request for a hearing suspends only the levy of a fine. The hearing will be held in a closed or executive session of the Board of Directors. At the hearing the Board of Directors will consider the facts and circumstances surrounding the violation and the Owner may attend in person, or may be represented by another person or written communication.

7. Committee of Board of Directors. The Board of Directors may appoint a committee comprised solely of directors to serve as the Board of Directors at violation hearings. The Board of Directors will be bound by the decision of such committee. Such a committee may be appointed on an ad hoc basis.

8. Levy of Fine. Within 30 days after levying the fine, the Association must give the Owner notice of the levied fine. If the fine is levied at the hearing at which the Owner is actually present, the notice requirement will be satisfied if the Board of Directors announces its decision to the Owner at the hearing; otherwise, the notice must be in writing.

9. Amount. The Association may set fine amounts on a case by case basis, provided the fine is reasonable in light of the nature, frequency, and effects of the violation. The Association may establish a schedule of fines for certain types of violations. The amount and cumulative total of a fine must be reasonable in comparison to the violation and should be uniform for similar violations of the same provision of the Governing Documents.



10. Type of Levy. If the violation is ongoing or continuous, the fine may be levied on a periodic basis beginning on the start date. If the violation is not ongoing, but is instead sporadic or periodic, the fine may be levied on a per occurrence basis.

11. Collection of Fines. The Association is not entitled to collect a fine from an Owner to whom it has not given notice and an opportunity to be heard. The Association may not foreclose its assessment lien on a debt consisting solely of fines. The Association may not charge interest or late fees for unpaid fines.

12. Amendment of Policy. These fining rules will remain effective until ten days after the Association delivers, or causes to be delivered, to an Owner of each Lot notice of amendment to or revocation of these Rules. The notice may be published and distributed in an Association newsletter or other community-wide publication.

### PART III

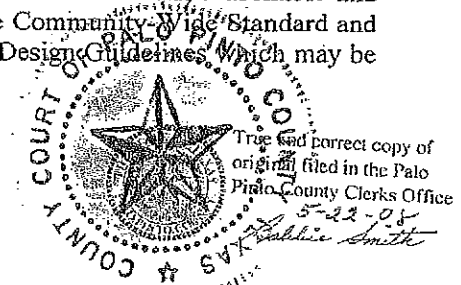
#### ARCHITECTURAL CONTROL AND DESIGN GUIDELINES

Each Owner, by accepting a deed to its Lot acknowledges that Declarant has a substantial interest in ensuring that all structures and Improvements within the Development enhance Declarant's reputation as a community developer and do not impair Declarant's ability to market, sell or lease any portion of the Development or other real property owned by Declarant. Therefore, the Declarant has established the ACC to be responsible for administration of the Design Guidelines and review of all applications for construction and modifications permitted hereunder. The ACC may establish and charge reasonable fees for review of applications hereunder and may require such fees to be paid in full prior to review of any application. Such fees may include the reasonable costs incurred by the ACC in having any application reviewed by architects, engineers or other professionals.

#### A. ADMINISTRATION AND PROCEDURES

1. The ACC. During the Development Period, the ACC shall consist of Declarant, Declarant's designees or agents, who shall serve at Declarant's discretion. During such time, Declarant shall have full authority to designate and appoint a successor in the event of the death, resignation or removal by Declarant of any member of the ACC. Upon the expiration of the Development Period, or the earlier termination thereof, the Board of Directors shall appoint the members of the ACC, who may consist of one or more members of the Board of Directors. At all times, the ACC shall consist of at least three members.

2. Standards. The ACC shall have the responsibility to develop a Community-Wide Standard for the Development and shall have sole discretion with respect to taste, design standards and other guidelines and restrictions to ensure compliance with the Community-Wide Standard. One objective of the ACC is to prevent unusual, radical, curious, odd, bizarre, peculiar or irregular structures from being built within the Development. The ACC may from time to time adopt such procedural and substantive rules, to the extent not in conflict with the Governing Documents, as it may deem necessary or proper for the performance of its duties, including any additional Design Guidelines and publish and promulgate bulletins regarding such additional Design Guidelines, which shall be fair, reasonable and uniformly applied and shall carry forward the spirit and intention of the Community-Wide Standard and the Governing Documents. The ACC shall have the authority to adopt Design Guidelines which may be applicable to only specific sections within the Development.



3. Submission of Plans to ACC. No Dwelling or other Improvements, including Accessory Buildings, landscaping, building, fences, signs, walls, decks, patios or other structures may be placed, erected, installed or made upon any Lot, nor shall any exterior addition to or change or alteration be made until the Plans, with a \$200 fee (the "Application Fee"), are submitted to and approved by the a majority of the members of the ACC. Plans shall be submitted to the ACC at least 30 days prior to the commencement of any construction or modification. The ACC is authorized to request the submission of samples of proposed construction materials and to hire professional consultants to assist in the reviewing an Owner's Plans. The ACC shall have the power and authority to make any such subjective judgments and to interpret the intent and provisions of the Design Guidelines and the Governing Documents, as the ACC may deem appropriate in its sole discretion.

4. Approval of Plans. The ACC shall review the Plans and shall notify an Owner in writing of its approval or disapproval. If the ACC fails to approve or disapprove such Plans within 30 days after the same has been submitted to it, such Plans will be deemed to have been approved by the ACC. Any disapproval shall set forth the elements disapproved and the reason or reasons. The judgment of the ACC in this respect in the exercise of its sole and absolute discretion and shall be final and conclusive, and the Owner may revise the Plans (if disapproved) and resubmit them for approval. No construction, alteration, change or modification shall commence on an Owner's Lot until approval of the ACC is obtained.

5. Appeal of Final Decision. Any Owner may appeal the final decision of the ACC by submission of a written request therefor to the Board of Directors within 10 business days the Owner's receipt of such decision. Such written notice must include the set of Plans and all other information submitted to the ACC by the Owner in connection with the review process, along with a written statement by the Owner justifying approval of its Plans. The Board of Directors shall schedule a special meeting within 30 days of receipt of such written notice from the appealing Owner, which may, but need not be, attended by the Owner or the ACC, where it will consider the position advanced by the Owner and the final decision of the ACC. Within 10 business days after such hearing, the Board of Directors must vote to uphold the final decision of the ACC or approve the Plans as submitted by the Owner to the ACC; the Board of Directors shall have no discretion to recommend or approve modifications to the Plans. A vote of not less than 2/3% of the directors of the Board of Directors shall be necessary to reverse the final decision of the ACC. Such vote of the Board of Directors shall be final and binding on the Owner and the ACC as of the date it is rendered and shall not be subject to the arbitration provisions of the Declaration. Each Owner shall be responsible for paying the costs incurred by the Board of Directors for its review of the Plans regardless of whether such Plans are approved, including any costs incurred by the Board of Directors in employing professional consultants to assist in the reviewing such Owner's Plans.

6. Unauthorized Changes. If an Owner makes unauthorized changes to its Lot or Improvements in a manner unsatisfactory to the ACC, the ACC shall have the right, through its agents and employees, to: (i) enter upon said Lot and to repair, maintain and restore the Lot and the exterior of the Dwelling and any other Improvements erected thereon or remove any prohibited items from such Lot, or (ii) seek enforcement of the Owner's obligations under the Governing Documents in a court of competent jurisdiction located in the County. The ACC, its agents and employees shall have the right to remove any Improvement not complying with these Design Guidelines and in so doing, shall not be liable and are expressly relieved from any liability for trespass of other tort in connection therewith or rising from such removal. The cost of such exterior maintenance and the costs and attorney's fees incurred by the ACC in the enforcement of the rights under these provisions shall be added to and become a part of the Assessments to which such Lot is subject, to the extent permitted by the Act. In addition to the foregoing, the ACC shall have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of the Design Guidelines.

True and correct copy of  
Original filed in the Palo  
Palo County Clerks Office  
5-22-08  
Robbie Smith

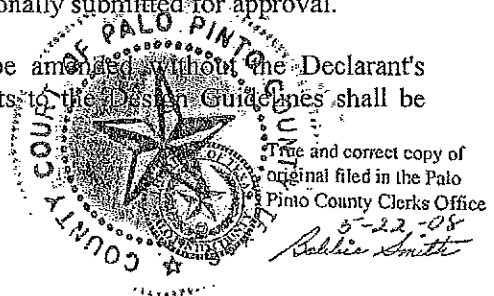
7. ACC Liability. Neither the Declarant, the Association, the Board of Directors, the ACC nor any employees, officers, directors or members thereof shall be liable for damages or otherwise to anyone submitting plans and specifications for approval or to any Owner affected by the Design Guidelines by reason of mistake of judgment, negligence or nonfeasance arising out or in connection with the approval or disapproval or failure to approve or disapprove any plans or specifications. Any errors in or omissions from the plans and specifications submitted to the ACC shall be the responsibility of the Owner of the Lot to which the Improvements relate, and the ACC shall have no obligation to check for errors in or omissions from any such plans, or to check for such plans' compliance with the general provisions of these Design Guidelines, any Legal Requirements or the common law, whether the same relate to lot lines, building lines, easements or any other issue. Similarly, no approval by the ACC of any plans and specifications shall be deemed or construed as a representation or warranty by the ACC that such plans and specifications comply with any applicable city codes, state statutes or other applicable laws, codes or ordinances. **THE OWNER, MAKING OR CAUSING TO BE MADE SUCH ADDITIONS, ALTERATIONS OR IMPROVEMENTS, AGREES, AND SHALL BE DEEMED TO HAVE AGREED, FOR SUCH OWNER, TO HOLD THE ACC, THE ASSOCIATION, DECLARANT AND ALL OTHER OWNERS HARMLESS FROM AND TO INDEMNIFY THEM FOR ANY LIABILITY OR DAMAGE TO THE PROPERTY RESULTING FROM SUCH ADDITIONS, ALTERATIONS OR IMPROVEMENTS. ANY OTHER OWNER SUBMITTING PLANS HEREUNDER, BY DISSEMINATION OF THE SAME, AND ANY OWNER, BY ACQUIRING TITLE TO THE SAME, AGREES NOT TO SEEK DAMAGES FROM THE ACC, ARISING OUT OF THE ACC'S REVIEW OF ANY PLANS HEREUNDER. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, THE ACC SHALL NOT BE RESPONSIBLE FOR REVIEWING, NOR SHALL ITS REVIEW OF ANY PLANS BE DEEMED APPROVAL OF, ANY PLANS FROM THE STANDPOINT OF THE STRUCTURAL SAFETY, SOUNDNESS, WORKMANSHIP, MATERIALS, USEFULNESS, CONFORMITY WITH BUILDING OR OTHER CODES OR INDUSTRY STANDARDS OR COMPLIANCE WITH THE GOVERNING DOCUMENTS AND ALL LEGAL REQUIREMENTS. FURTHER, EACH OWNER AGREES TO INDEMNIFY AND HOLD THE ACC AND ITS RESPECTIVE OFFICERS AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL COSTS, CLAIMS, DAMAGES, EXPENSES OR LIABILITIES WHATSOEVER, ARISING AS A RESULT OF THE REVIEW OF ANY PLANS HEREUNDER.**

8. Certificate. Upon written request of an Owner, the ACC shall furnish a certificate concerning or certifying (if true) the approval of such Owner's plans and specifications, and if applicable, the grant of any deviation hereunder.

9. Variance. Circumstances may warrant waiver or variance of the Design Guidelines. To obtain a waiver or variance, an Owner must make written application to the ACC and the ACC will consider such request and respond to the Owner within 30 days. If the application is approved, the waiver or variance must be in writing, and may be conditioned or otherwise limited. If the ACC fails to approve or disapprove of an Owner's written application for a waiver within 30 days after the date of submission, such waiver shall be deemed approved.

10. No Waiver of Future Approvals. Approval of proposals, plans and specifications, or drawings for any work done or proposed, or in connection with any other matter requiring approval, shall not be deemed to constitute a waiver of the right to withhold approval as to any similar proposals, plans and specifications, drawings, or other matters subsequently or additionally submitted for approval.

11. Amendment. The Design Guidelines may not be amended without the Declarant's written consent during the Development Period. Any amendments to the Design Guidelines shall be



prospective only and shall not apply to require modifications to or removal of structures previously approved once the approved construction or modification has commenced.

12. Single Family Residential Construction. No building shall be erected, altered, placed or permitted to remain on any Lot other than one Dwelling per each Lot to be used for single family residential purposes and one Garage/Carport. All Dwellings, Accessory Buildings and Garage/Carports must be approved in writing by the ACC prior to being erected, altered or placed on the Lot. The term "Dwelling" does not include single or double wide or other manufactured homes, and said manufactured homes are not permitted within the Development.

13. Minimum Size/Height Restrictions. The total air-conditioned habitable area of a Dwelling, as measured to the outside of exterior walls but excluding open porches, breezeways, patios and detached Accessory Buildings, shall be not less than: (i) 2,000 square feet in size for one story Dwellings; or (ii) 2,400 square feet in size for two story Dwellings, provided that the first story of such Dwelling is at least 1,600 square feet in size. All guest houses on a Lot must have a minimum of 1,000 square feet of total air-conditioned habitable area. No Dwelling, Accessory Building or Garage/Carport may exceed 35 feet in height, which height shall be measured from where the highest point on natural grade of the Lot abuts the Dwelling, Accessory Building or Garage/Carport, except where the slab must be elevated above the natural grade to achieve minimum slab elevation as required by the ACC, in which case the height shall be measured from the minimum slab elevation established by the ACC.

14. Landscape Plans. Landscape and irrigation plans are required to be prepared and submitted to the the ACC. These plans shall show the size, type, locations, and spot elevations of all existing trees to be preserved or to be removed (as the case may be) and all proposed landscape elements. Those Lots for which an irrigation system is required or proposed shall be designed such that there is no overspray onto adjacent yards, streets or Common Areas. Landscaping installed without the review and approval of the ACC is subject to removal if determined to be out of character with the natural settings that exist throughout the Development.

15. Utility Easements. As described in the Declaration, each Lot shall be subject to one or more Utility Easements. In general, there will be a 20 foot easement along the Front Line of each Lot, and a 5 foot easement along the side line and rear line of each Lot. No improvements, including fences, may be constructed within such easement areas.

16. Fences. All walls and fences constructed on a Lot must be approved by the ACC prior to construction and must not exceed six feet in height; provided that fencing constructed within the interior of a Lot that is behind a perimeter wall or fence shall not require the prior approval of the ACC. All fencing must be in Earth Tones and must blend with the natural environment. Fences constructed of white plastic or galvanized chain link are prohibited, as are fences that obstruct natural views within the Development. Lots two acres or less are permitted to fence along the Front Line, however all fencing shall be located behind the Utility Easement and must be made of wrought iron or masonry that matches or compliments the Dwelling on the Lot. All fences on lakefront Lots must have see-through fencing.

17. Roof. Acceptable roof materials shall include slate, clay tile, metal and composition materials where the type, weight, quality, and color have been approved by the ACC. Other materials must be specifically approved by the ACC. All roofs and roofing materials shall be in Earth Tones which complient the exterior color of the Dwelling.

18. Satellite Dishes and Antenna. The ACC shall not prohibit the installation, maintenance or use of antennae used to receive video programming as described in the Over-the-Air Reception Devices Rule adopted by the Federal Communications Commission. An Owner shall be permitted to



install or maintain video antenna, including direct-to-home satellite dishes less than one meter in diameter, TV antenna and wireless cable antenna on its Lot, subject to reasonable safety rules established by the ACC from time to time.

19. Exterior Lighting. Landscape uplights are effective for accentuating plant material and other features. Except for holiday season lights (which are appropriate from Thanksgiving through the first week of January). Light fixtures and standards should be chosen to blend into and enhance the Lot it is illuminating. Spillage of light or glare from one property to another should be avoided. Light shields and timer/sensor systems should be used in areas where spill-over is a potential problem. No high or low pressure sodium light shall be permitted.

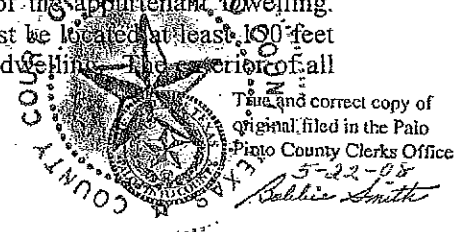
20. Masonry. At least 80% of the exterior of a Dwelling must be covered with glass, natural wood, brick, stucco, natural stone or other as may be permitted by the ACC. All masonry used is subject to specific ACC approval concerning color, style, and texture. Exposed plain concrete surfaces, excluding flatwork and pavement, aluminum, asbestos siding, vinyl siding, plywood siding, or masonite siding are prohibited; provided, however that Owners shall be permitted to install hardiplank siding on a Dwelling.

21. Exterior Dwelling Materials. Dwellings shall not be adorned with stylistic ornamentation or details that are out of character with the image of the Development. All painted Improvements and other painted structures (where the paint color and texture were originally approved by the ACC) on each Lot shall be repainted by the Owner(s) thereof at their own expense as often as is reasonably necessary to ensure the attractiveness and aesthetic quality of such Improvement. The subsequent approval of the ACC for such repainting shall not be required so long as neither the color scheme nor the arrangement of the colors of any Improvements, nor the color of any paint thereon is materially altered. The ACC shall have the right to review and approve exterior screen doors, storm doors and security gates and bars as exterior residential materials.

22. Mechanical Equipment. All utility meters, propane tanks, equipment, garbage receptacles, air conditioning compressors, transformers, swimming pool pumps and filters, etc. must be visually screened (so as not to be visible from any Lot, street or other Common Area). All electrical wiring services must be located underground.

23. Garbage. All garbage cans shall be located or screened so as to be concealed from view of streets and adjacent Lots. All rubbish, trash and garbage shall be placed in appropriate containers at a designated location as directed by the ACC from time to time and regularly removed and shall not be allowed to accumulate. There shall be no dumping of grass clippings, leaves or other debris, rubbish, trash or garbage, petroleum products, fertilizers, or other potentially hazardous or toxic substances in any drainage ditch, stream, pond, or lake within the Development, except that fertilizers may be applied to landscaping on Lots provided care is taken to minimize runoff. Each Owner must maintain a dumpster on its Lot during construction of a Dwelling, Accessory Building or Garage/Carport for the disposal of all construction debris. No insulation wrappers may be discarded or left on a Lot unless within a dumpster. If an Owner fails to keep its Lot free of construction debris during construction of a Dwelling or Improvements thereon, the ACC may elect to clean such Owner's Lot and use the Application Fee to offset the fees and expenses incurred with respect to such maintenance.

24. Accessory Buildings. An Accessory Building may not be built until construction of the appurtenant Dwelling has commenced. With respect to Lots of two acres or less, the exterior of all Accessory Buildings, excluding barns, must match color of the exterior of the appurtenant Dwelling. Barns may only be constructed on Lots five acres or greater in size and must be located at least 100 feet from the Front Line of the Lot and construction must be behind residential dwelling. The exterior of all



barns must have V-groove boards with a baked-on paint finish in Earth Tones that compliment the exterior color of the Dwelling.

25. Garage/Carports. A Garage/Carport may not be built until construction of the appurtenant Dwelling has commenced. No more than one Garage/Carport may be constructed on a Lot and must be of a size to accommodate at least two but not more than four vehicles. All Garage/Carports must be attached to the appurtenant Dwelling and the exterior of each Garage/Carport must match the exterior of the appurtenant Dwelling. Any garage that is fully enclosed may be used for storage purposes, provided that carports may be used only for the parking of vehicles. All Garage/Carports must provide for the side entry of vehicles so that the entry of each Garage/Carport does not face the street or the lake, and all Garage/Carports constructed on corner Lots must face the side street and shall be located no closer to the side lot line than the minimum side lot building setback line as shown on the Plat.

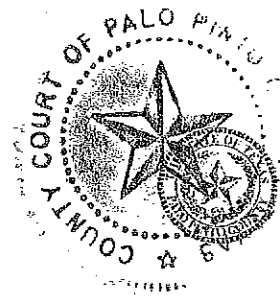
26. Driveways. All driveways leading from a street within the Development into a Lot must be at least 20 feet in length. The initial 20 feet of a driveway extending from a street into a Lot must be paved in concrete or asphalt; provided that such driveway may be constructed of any material after the initial 20 foot area. The end of each driveway must slope into the street. Driveway culverts must be installed and will be of sufficient size to afford proper drainage of ditches. A driveway culvert must not be less than twelve inches in diameter. The driveway above the culvert should be constructed such that the driveway is at least six inches below the outside edge of the main roadway. Drainage culvert installation is subject to the inspection and approval of the applicable Governmental Authorities and must be installed prior to any construction on the Lot. All natural drain patterns must remain opened and must not be blocked by ponds or dams.

27. Ponds. Ponds may be constructed on Lots at least four acres in size with the prior written approval of the ACC.

28. Mailboxes. The ACC shall have the right to designate the exclusive design, motif and materials for mailboxes (including the individual or gang "housing" for the mailboxes) within each section of the Development.

29. Signs and Billboards. No signs, including for-sale signs, billboards, posters, or advertising devices of any character shall be erected, permitted or maintained on any Lot or on the Common Areas without the express prior written consent of the ACC. All signs, billboards, posters and other advertising devices shall conform to the ACC's pre-determined signage policy.

30. Additional Approval Rights. The ACC reserves the right to review, approve, and prescribe limitations on the following: (a) pavement surfaces (e.g., the use of stone, gravel, concrete, washed aggregate, wood, brick, asphalt); (b) mulch; (c) driveway reflectors; (d) woodpiles; (e) awnings; (f) decking; (g) outdoor carpeting; (h) screened-in patio and yard areas; (i) rock gardens; (j) grading; and (k) retaining walls.



True and correct copy of original filed in the Palo Pinto County Clerks Office  
5-22-08  
Rebecca Smith



Adopted by the Board of Directors on May 21, 2008 pursuant to that certain Consent in Lieu of Directors' Meeting, executed by all members of the Board of Directors.

SIGNED this 21 day of May, 2008.

Possum Kingdom Property Owners Association, Inc.  
a Texas non-profit corporation

By: *[Signature]*  
Name: Oscar Rohrer  
Title: President

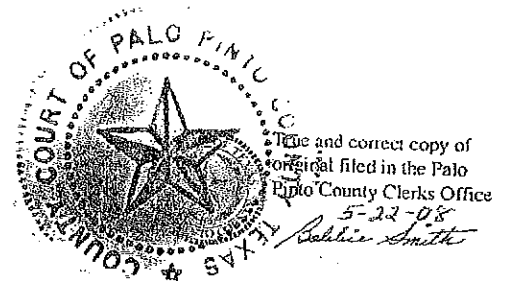


Exhibit A – Legal Description

**PROPERTY DESCRIPTION:**

BEING a tract of land situated in the T.W. Moore Survey, Abstract No. 1280 and the L.J. Pitts Survey, Abstract No. 1289, Palo Pinto County, Texas, said tract of land being a portion of the land described in the deed to Southern Lakes and Leisure, L.L.C., as recorded in Volume 1447, Page 484 and Volume 1490, Page 490 of the Official Public Records, Palo Pinto County, Texas, said tract of land being more particularly described by metes and bounds as follows:

BEGINNING at a found 5/8 inch capped iron rod stamped "BHB INC" being the southwest corner of Lot 275, The Hills Above Possum Kingdom Lake, Phase Two, Section Three, a subdivision in Palo Pinto County, Texas according to the plat recorded in Volume 9, Page 98, Slide 664, Official Public Records, Palo Pinto County, Texas, said found 5/8 inch capped iron rod stamped "BHB INC" also being on the easterly Right of Way line of Crimson Clover Drive, a 60.00 feet wide Right of Way, according to said plat of The Hills Above Possum Kingdom Lake, Phase Two, Section Three;

THENCE North 72 degrees 26 minutes 57 seconds East, leaving the easterly Right of Way line of said Crimson Clover Drive and being along the southerly line of said Lot 275, The Hills Above Possum Kingdom Lake, Phase Two, Section Three, a distance of 539.35 feet to a found 5/8 inch capped iron rod stamped "BHB INC" being the southeast corner of said Lot 275, The Hills Above Possum Kingdom Lake, Phase Two, Section Three;

THENCE North 17 degrees 33 minutes 03 seconds West, along the easterly line of Lots 275 thru 279 of said The Hills Above Possum Kingdom Lake, Phase Two, Section Three, a distance of 811.65 feet to a found 5/8 inch capped iron rod stamped "BHB INC";

THENCE North 72 degrees 26 minutes 57 seconds East, a distance of 193.68 feet to a set 5/8 inch capped iron rod stamped "BHB INC";

THENCE South 39 degrees 33 minutes 34 seconds East, a distance of 526.88 feet to a set 5/8 inch capped iron rod stamped "BHB INC";

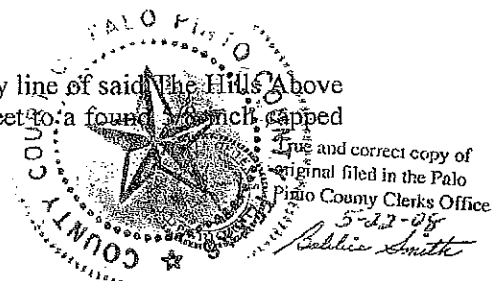
THENCE South 51 degrees 10 minutes 44 seconds East, a distance of 12.17 feet to a set 5/8 inch capped iron rod stamped "BHB INC" for the beginning of a curve to the right whose chord bears south 41 degrees 43 minutes 43 seconds east, a distance of 105.08 feet and having a radius of 320.00 feet;

THENCE in a southeasterly direction, along said curve to the right, through a central angle of 18 degrees 54 minutes 03 seconds, an arc distance of 105.56 feet to a set 5/8 inch capped iron rod stamped "BHB INC" for the end of said curve to the right;

THENCE South 32 degrees 16 minutes 41 seconds East, a distance of 557.58 feet to a set 5/8 inch capped iron rod stamped "BHB INC";

THENCE North 57 degrees 43 minutes 19 seconds East, a distance of 411.75 feet to a found 5/8 inch capped iron rod stamped "BHB INC" being on the northerly line of said The Hills Above Possum Kingdom Lake, Phase Two, Section Three;

THENCE South 82 degrees 40 minutes 44 seconds East, along the northerly line of said The Hills Above Possum Kingdom Lake, Phase Two, Section Three, a distance of 131.96 feet to a found 5/8 inch capped



iron rod stamped "BHB INC" being the northwest corner of Lot 302 of said The Hills Above Possum Kingdom Lake, Phase Two, Section Three;

THENCE South 08 degrees 30 minutes 02 seconds East, along the westerly line of said Lot 302, The Hills Above Possum Kingdom Lake, Phase Two, Section Three, a distance of 551.08 feet to a found 5/8 inch capped iron rod stamped "BHB INC" being the southwest corner of said Lot 302, The Hills Above Possum Kingdom Lake, Phase Two, Section Three, said found 5/8 inch capped iron rod stamped "BHB INC" also being on the northerly Right of Way line of Shooting Star Court, a 60.00 feet wide Right of Way, according to said plat of The Hills Above Possum Kingdom Lake, Phase Two, Section Three, said found 5/8 inch capped iron rod stamped "BHB INC" also being the beginning of a non-tangent curve to the left whose chord bears south 44 degrees 15 minutes 13 seconds west, a distance of 313.54 feet and having a radius of 330.00 feet;

THENCE in a southwesterly direction, along the northerly Right of Way line of said Shooting Star Court and said non-tangent curve to the left, through a central angle of 56 degrees 43 minutes 38 seconds, an arc distance of 326.73 feet to a found 5/8 inch capped iron rod stamped "BHB INC" being the point of a reverse curve to the right whose cord bears south 47 degrees 05 minutes 11 seconds west, a distance of 383.30 feet and having a radius of 370.00 feet;

THENCE in a southwesterly direction, along the northerly Right of Way line of said Shooting Star Court and said reverse curve to the right, through a central angle of 62 degrees 23 minutes 34 seconds, an arc distance of 402.92 feet to a found 5/8 inch capped iron rod stamped "BHB INC" being the end of said reverse curve to the right;

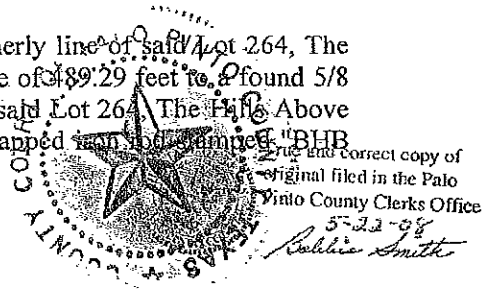
THENCE South 78 degrees 16 minutes 58 seconds West, along the northerly Right of Way line of said Shooting Star Court, a distance of 263.55 feet to a found 5/8 inch capped iron rod stamped "BHB INC" being the beginning of a curve to the left whose chord bears south 70 degrees 21 minutes 15 seconds west, a distance of 111.20 feet and having a radius of 60.00 feet;

THENCE in a southwesterly direction, along the northerly Right of Way line of said Shooting Star Court and said curve to the left, through a central angle of 135 degrees 51 minutes 23 seconds, an arc distance of 142.27 feet to a found 5/8 inch capped iron rod stamped "BHB INC" being the end of said curve to the left, said found 5/8 inch capped iron rod stamped "BHB INC" also being the northeast corner of Lot 310 of said The Hills Above Possum Kingdom Lake, Phase Two, Section Three;

THENCE North 87 degrees 34 minutes 19 seconds West, leaving the northerly Right of Way line of said Shooting Star Court and being along the northerly line of said Lot 310, The Hills Above Possum Kingdom Lake, Phase Two, Section Three, a distance of 404.00 feet to a found 5/8 inch capped iron rod stamped "BHB INC" being the northwest corner of said Lot 310, The Hills Above Possum Kingdom Lake, Phase Two, Section Three, said found 5/8 inch capped iron rod stamped "BHB INC" also being on the easterly line of Lot 563 of said The Hills Above Possum Kingdom Lake, Phase Two, Section Three;

THENCE North 02 degrees 25 minutes 41 seconds East, along the easterly line of Lot 563 and Lot 264 of said The Hills Above Possum Kingdom Lake, Phase Two, Section Three, a distance of 192.19 feet to a found 5/8 inch capped iron rod stamped "BHB INC" being the northeast corner of said Lot 264, The Hills Above Possum Kingdom Lake, Phase Two, Section Three;

THENCE North 60 degrees 26 minutes 05 seconds West, along the northerly line of said Lot 264, The Hills Above Possum Kingdom Lake, Phase Two, Section Three, a distance of 189.29 feet to a found 5/8 inch capped iron rod stamped "BHB INC" being the northwest corner of said Lot 264, The Hills Above Possum Kingdom Lake, Phase Two, Section Three, said found 5/8 inch capped iron rod stamped "BHB INC" also being on the easterly line of Lot 563 of said The Hills Above Possum Kingdom Lake, Phase Two, Section Three;



INC" also being on the easterly Right of Way line of Crimson Clover Drive, a 60.00 feet wide Right of Way, according to said plat of The Hills Above Possum Kingdom Lake, Phase Two, Section Three, said found 5/8 inch capped iron rod stamped "BHB INC" also being the beginning of a non-tangent curve to the left whose chord bears north 04 degrees 05 minutes 09 seconds east, a distance of 243.35 feet and having a radius of 330.00 feet;

THENCE in a northeasterly direction, along the easterly Right of Way line of said Crimson Clover Drive and said non-tangent curve to the left, through a central angle of 43 degrees 16 minutes 24 seconds, passing a found 5/8 inch capped iron rod stamped "BHB INC" being at the intersection of the easterly Right of Way line of said Crimson Clover Drive and the southerly Right of Way line of Honeysuckle Court, a 60.00 feet wide Right of Way, according to said plat of The Hills Above Possum Kingdom Lake, Phase Two, Section Three, at an arc distance of 230.25 feet and continue for a total arc distance of 249.24 feet to a point for the end of said non-tangent curve to the left;

THENCE North 17 degrees 33 minutes 03 seconds West, passing a found 5/8 inch capped iron rod stamped "BHB INC" being at the intersection of the easterly Right of Way line of said Crimson Clover Drive and the northerly Right of Way line of said Honeysuckle Court at a distance of 41.02 feet and continue along the easterly Right of Way line of said Crimson Clover Drive for a total distance of 203.35 feet to the POINT OF BEGINNING and containing 1,719,882.9 Square Feet or 39.483 acres of Land.

**PHASE TWO, SECTION THREE A  
PARCEL ONE**

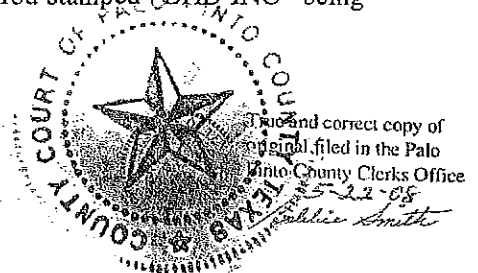
Being a tract of land situated in the D. C. Coffman Survey, A-1531; T.W. Moore Survey, A-1652; T.W. Moore Survey, A-1653 all within Palo Pinto County, Texas, said tract being a portion of tracts deeded to Possum Kingdom Corp. per document recorded in Volume 1373, Page 40 and Volume 1408, Page 263 of the Official Public Records of Palo Pinto County, Texas, said tract being more particularly described by metes and bound as follows:

BEGINNING at a found 5/8 inch capped iron rod stamped "BHB INC" being the southeast corner of Lot 359, The Hills Above Possum Kingdom Lake, Phase Two, Section Three as recorded in Volume 9; Page 98, Slide 664 of the Official Public Records of Palo Pinto, County, Texas;

THENCE South 29 degrees 33 minutes 02 seconds West, along the easterly line of said tract recorded in Volume 1408, Page 263 and along a boundary line agreement as recorded in Volume 1391, Page 704 of said Official Public Records, a distance of 1,288.18 feet to a found 5/8 inch capped iron rod stamped "BHB INC" being the northeast corner of Lot 358R, The Hills Above Possum Kingdom Lake, Phase Two, Section Three as recorded in Volume 9, Page 110, Slide 676 of said Official Public Records;

THENCE North 61 degrees 22 minutes 55 seconds West, leaving said easterly line of said tract recorded in Volume 1408, Page 263 and leaving said boundary line agreement as recorded in Volume 1391, Page 704 of said Official Public Records and along the northerly line of said Lot 358R, a distance of 800.31 feet to a found 5/8 inch capped iron rod stamped "BHB INC" being the northwesterly corner of said Lot 358R also being on the easterly right of way line of Canyon Wren South (a 60 foot wide right of way);

THENCE North 29 degrees 32 minutes 59 seconds East, along said easterly right of way line of Canyon Wren South, a distance of 1,301.19 feet to a found 5/8 inch capped iron rod stamped "BHB INC" being the southwesterly corner of said Lot 359;



THENCE South 60 degrees 27 minutes 01 seconds East, along the southerly line of said Lot 359, a distance of 800.22 feet to the POINT OF BEGINNING and containing 1,036,020.0 square feet or 23.784 acres of land.

**PHASE TWO, SECTION THREE A  
PARCEL TWO**

Being a tract of land situated in the T. W. Moore Survey, A-1651; T.W. Moore Survey, A-1652; T.W. Moore Survey, A-1653; T.W. Moore Survey, A-1280, and the L. J. Pitts Survey, A 1289 all within Palo Pinto County, Texas, said tract being a portion of tracts deeded to Possum Kingdom Corp. per document recorded in Volume 1373, Page 40 of the Official Public Records of Palo Pinto County, Texas, said tract being more particularly described by metes and bound as follows:

BEGINNING at a found 5/8 inch capped iron rod stamped "BHB INC" being the southwest corner of Lot 197, The Hills Above Possum Kingdom Lake, Phase Two, Section Three as recorded in Volume 9, Page 98, Slide 664 of the Official Public Records of Palo Pinto, County, Texas and also being on the easterly right of way line of Crimson Clover Drive (a 60 foot wide right of way);

THENCE South 79 degrees 47 minutes 48 seconds West, crossing said Crimson Clover Drive, a distance of 60.00 feet to a set 5/8 inch capped iron rod stamped "BHB INC" being the beginning of a non tangent curve to the right and along the westerly right of way line of said Crimson Clover Drive whose chord bears North 04 degrees 05 minutes 45 seconds West, a distance of 112.77 feet and having a radius of 530.00 feet;

THENCE Northwesterly, along said non tangent curve to the right through a central angle of 12 degrees 12 minutes 53 seconds, an arc length of 112.99 feet to a set 5/8 inch capped iron rod stamped "BHB INC" being the end of said non tangent curve to the right;

THENCE North 02 degrees 00 minutes 41 seconds East, a distance of 213.83 feet to a set 5/8 inch capped iron rod stamped "BHB INC" being the beginning of a curve to the left whose chord bears North 24 degrees 48 minutes 38 seconds West, a distance of 424.15 feet and having a radius of 470.00 feet;

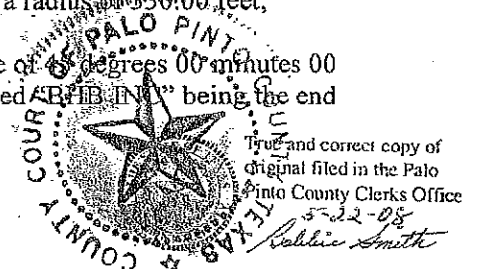
THENCE Northwesterly, along said curve to the left through a central angle of 53 degrees 38 minutes 39 seconds, an arc length of 440.05 feet to a set 5/8 inch capped iron rod stamped "BHB INC" being the end of said curve to the left;

THENCE North 51 degrees 37 minutes 58 seconds West, a distance of 279.06 feet to a set 5/8 inch capped iron rod stamped "BHB INC" being the beginning of a curve to the right whose chord bears North 29 degrees 07 minutes 58 seconds West, a distance of 252.57 feet and having a radius of 330.00 feet;

THENCE Northwesterly, along said curve to the right through a central angle of 45 degrees 00 minutes 00 seconds, an arc length of 259.18 feet to a set 5/8 inch capped iron rod stamped "BHB INC" being the end of said curve to the right;

THENCE North 06 degrees 37 minutes 58 seconds West, a distance of 574.93 feet to a set 5/8 inch capped iron rod stamped "BHB INC" being the beginning of a curve to the right whose chord bears North 15 degrees 52 minutes 02 seconds East, a distance of 252.57 feet and having a radius of 330.00 feet;

THENCE Northeasterly, along said curve to the right through a central angle of 45 degrees 00 minutes 00 seconds, an arc length of 259.18 feet to a set 5/8 inch capped iron rod stamped "BHB INC" being the end of said curve to the right;



THENCE North 38 degrees 22 minutes 02 seconds East, a distance of 23.63 feet to a set 5/8 inch capped iron rod stamped "BHB INC" being the beginning of a curve to the left whose chord bears North 10 degrees 24 minutes 30 seconds East, a distance of 253.17 feet and having a radius of 270.00 feet;

THENCE Northeasterly, along said curve to the left through a central angle of 55 degrees 55 minutes 05 seconds, an arc length of 263.51 feet to a set 5/8 inch capped iron rod stamped "BHB INC" being the end of said curve to the left;

THENCE North 17 degrees 33 minutes 03 seconds West, a distance of 968.43 feet to a set 5/8 inch capped iron rod stamped "BHB INC" being the beginning of a curve to the right whose chord bears North 12 degrees 35 minutes 05 seconds West, a distance of 57.13 feet and having a radius of 330.00 feet;

THENCE Northwesterly, along said curve to the right through a central angle of 09 degrees 55 minutes 55 seconds, an arc length of 57.20 feet to a set 5/8 inch capped iron rod stamped "BHB INC" being the end of said curve to the right;

THENCE South 88 degrees 06 minutes 18 seconds West, leaving the westerly right of way line of said Crimson Clover Drive, a distance of 832.14 feet to a set 5/8 inch capped iron rod stamped "BHB INC" on the easterly right of way line of State Highway No. 16 (a 120 foot wide right of way) and being the beginning of a non tangent curve to the left whose chord bears South 15 degrees 42 minutes 13 seconds East, a distance of 114.07 feet and having a radius of 1849.77 feet;

THENCE Southeasterly, along said non tangent curve to the left along said easterly right of way line, through a central angle of 03 degrees 32 minutes 02 seconds, an arc length of 114.09 feet to a set 5/8 inch capped iron rod stamped "BHB INC" being the end of said non tangent curve to the left;

THENCE South 17 degrees 33 minutes 03 seconds East, continuing along said easterly right of way line, a distance of 2217.88 feet to a set 5/8 inch capped iron rod stamped "BHB INC" being the beginning of a curve to the right whose chord bears South 07 degrees 46 minutes 11 seconds East, a distance of 666.57 feet and having a radius of 1969.73 feet;

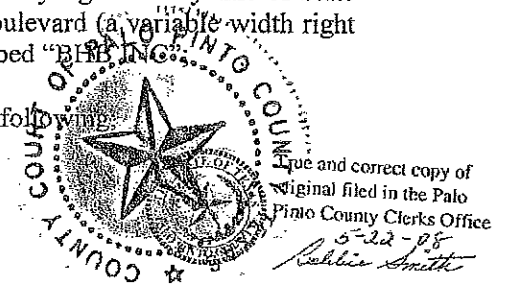
THENCE Southeasterly, along said curve to the right and along said easterly right of way line, through a central angle of 19 degrees 28 minutes 59 seconds, an arc length of 669.79 feet to a set 5/8 inch capped iron rod stamped "BHB INC" being the end of said curve to the right;

THENCE South 02 degrees 00 minutes 41 seconds West, continuing along said easterly right of way line, a distance of 662.11 feet to a found 1/2 inch iron rod being the beginning of a curve to the left whose chord bears South 00 degrees 18 minutes 07 seconds West, a distance of 338.31 feet and having a radius of 5669.57 feet;

THENCE Southwesterly, along said curve to the left and along said easterly right of way line, through a central angle of 03 degrees 25 minutes 10 seconds, an arc length of 338.37 feet to a set 5/8 inch capped iron rod stamped "BHB INC" being the end of said curve to the left;

THENCE South 47 degrees 44 minutes 09 seconds East, leaving said easterly right of way line of State Highway No. 16 and along the northerly right of way line of PK Hills Boulevard (a variable width right of way), a distance of 445.98 feet to a found 5/8 inch capped iron rod stamped "BHB INC";

THENCE along said northerly right of way line of PK Hills Boulevard the following



THENCE South 02 degrees 07 minutes 55 seconds West, a distance of 100.00 feet to a found 5/8 inch capped iron rod stamped "BHB INC" being the beginning of a non tangent curve to the right whose chord bears South 79 degrees 14 minutes 08 seconds East, a distance of 164.13 feet and having a radius of 530.00 feet;

THENCE Southeasterly, along said curve to the right through a central angle of 17 degrees 48 minutes 52 seconds, an arc length of 164.79 feet to a found 5/8 inch capped iron rod stamped "BHB INC" being the end of said curve to the right;

THENCE South 70 degrees 19 minutes 42 seconds East, a distance of 524.99 feet to a found 5/8 inch capped iron rod stamped "BHB INC" being the beginning of a curve to the left whose chord bears South 73 degrees 22 minutes 06 seconds East, a distance of 53.03 feet and having a radius of 500.00 feet;

THENCE Southeasterly, along said curve to the left through a central angle of 06 degrees 04 minutes 48 seconds, an arc length of 53.06 feet to a found 5/8 inch capped iron rod stamped "BHB INC" being the end of said curve to the left and the beginning of a reverse curve to the right whose chord bears South 73 degrees 22 minutes 06 seconds East, a distance of 110.52 feet and having a radius of 1,042.00 feet;

THENCE Southeasterly, along said reverse curve to the right through a central angle of 06 degrees 04 minutes 48 seconds, an arc length of 110.58 feet to a found 5/8 inch capped iron rod stamped "BHB INC" for the end of said reverse curve to the right;

THENCE South 70 degrees 19 minutes 42 seconds East, a distance of 849.53 feet to a found 5/8 inch capped iron rod stamped "BHB INC" being the beginning of a curve to the right whose chord bears South 69 degrees 16 minutes 26 seconds East, a distance of 37.91 feet and having a radius of 1,030.00 feet;

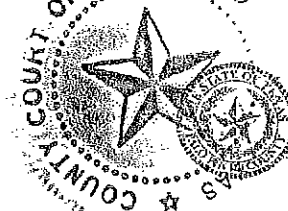
THENCE Southeasterly, along said curve to the right through a central angle of 02 degrees 06 minutes 31 seconds, an arc length of 37.91 feet to a found 5/8 inch capped iron rod stamped "BHB INC" for the end of said curve to the right;

THENCE South 68 degrees 13 minutes 11 seconds East, a distance of 671.74 feet to a found 5/8 inch capped iron rod stamped "BHB INC" being the beginning of a curve to the right whose chord bears South 65 degrees 14 minutes 20 seconds East, a distance of 55.12 feet and having a radius of 530.00 feet;

THENCE Southeasterly, along said curve to the right through a central angle of 05 degrees 57 minutes 42 seconds, an arc length of 55.15 feet to a found 5/8 inch capped iron rod "BHB INC" for the end of said curve to the right and the beginning of a reverse curve to the left whose chord bears South 81 degrees 31 minutes 03 seconds East, a distance of 120.06 feet and having a radius of 182.00 feet;

THENCE Southeasterly, along said reverse curve to the left through a central angle of 38 degrees 31 minutes 07 seconds, an arc length of 122.35 feet to a found 5/8 inch capped iron rod "BHB INC" for the end of said reverse curve to the left and the beginning of a reverse curve to the right whose chord bears South 61 degrees 03 minutes 26 seconds East, a distance of 291.40 feet and having a radius of 228.00 feet;

THENCE Southeasterly, along said reverse curve to the right through a central angle of 79 degrees 26 minutes 20 seconds, an arc length of 316.12 feet to a found 5/8 inch capped iron rod "BHB INC" for the end of said reverse curve to the right and being the beginning of a reverse curve to the left whose chord bears South 44 degrees 05 minutes 59 seconds East, a distance of 140.83 feet and having a radius of 182.00 feet;



THENCE Southeasterly, along said reverse curve to the left through a central angle of 45 degrees 31 minutes 26 seconds, an arc length of 144.61 feet to a found 5/8 inch capped iron rod "BHB INC" for the end of said reverse curve to the left and being the beginning of a compound curve to the left whose chord bears South 73 degrees 06 minutes 58 seconds East, a distance of 102.41 feet and having a radius of 470.00 feet;

THENCE Southeasterly, along said compound curve to the left through a central angle of 12 degrees 30 minutes 33 seconds, an arc length of 102.61 feet to a found 5/8 inch capped iron rod "BHB INC" for the end of said compound curve to the left;

THENCE South 79 degrees 22 minutes 15 seconds East, a distance of 174.61 feet to a found 5/8 inch capped iron rod stamped "BHB INC" being the beginning of a curve to the left whose chord bears South 88 degrees 21 minutes 10 seconds East, a distance of 56.36 feet and having a radius of 180.50 feet;

THENCE Southeasterly, along said curve to the left through a central angle of 17 degrees 57 minutes 51 seconds, an arc length of 56.59 feet to a found 5/8 inch capped iron rod stamped "BHB INC" being the end of said curve to the left and the beginning of a reverse curve to the right whose chord bears South 88 degrees 21 minutes 10 seconds East, a distance of 68.54 feet and having a radius of 219.50 feet;

THENCE Southeasterly, along said reverse curve to the right through a central angle of 17 degrees 57 minutes 51 seconds, an arc length of 68.82 feet to a found 5/8 inch capped iron rod stamped "BHB INC" for the end of said reverse curve to the right;

THENCE South 79 degrees 22 minutes 15 seconds East, a distance of 256.94 feet to a found 5/8 inch capped iron rod stamped "BHB INC" being the beginning of a curve to the right whose chord bears South 60 degrees 02 minutes 23 seconds East, a distance of 218.48 feet and having a radius of 330.00 feet;

THENCE Southeasterly, along said curve to the right through a central angle of 38 degrees 39 minutes 43 seconds, an arc length of 222.68 feet to a found 5/8 inch capped iron rod "BHB INC" for the end of said curve to the right and being the beginning of a reverse curve to the left whose chord bears South 50 degrees 34 minutes 46 seconds East, a distance of 161.14 feet and having a radius of 470.00 feet;

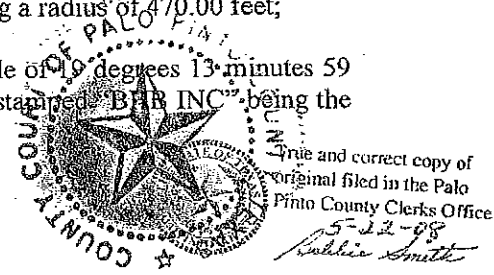
THENCE Southeasterly, along said reverse curve to the left through a central angle of 19 degrees 44 minutes 30 seconds, an arc length of 161.94 feet to a found 5/8 inch capped iron rod "BHB INC" for the end of said reverse curve to the left;

THENCE South 60 degrees 27 minutes 01 seconds East, a distance of 291.31 feet to a found 5/8 inch capped iron rod stamped "BHB INC" being the beginning of a curve to the right whose chord bears South 59 degrees 37 minutes 52 seconds East, a distance of 9.44 feet and having a radius of 330.00 feet;

THENCE Southeasterly, along said curve to the right through a central angle of 01 degrees 38 minutes 19 seconds, an arc length of 9.44 feet to a found 5/8 inch capped iron rod "BHB INC" for the end of said curve to the right;

THENCE North 29 degrees 32 minutes 59 seconds East, a distance of 646.07 feet to a found 5/8 inch capped iron rod stamped "BHB INC" being the beginning of a curve to the left whose chord bears North 19 degrees 55 minutes 59 seconds East, a distance of 157.03 feet and having a radius of 470.00 feet;

THENCE Northeasterly, along said curve to the left through a central angle of 09 degrees 13 minutes 59 seconds, an arc length of 157.77 feet to a found 5/8 inch capped iron rod stamped "BHB INC" being the





end of said curve to the left and the beginning of a reverse curve to the right whose chord bears North 19 degrees 55 minutes 59 seconds East, a distance of 177.08 feet and having a radius of 530.00 feet;

THENCE Northeasterly, along said reverse curve to the right through a central angle of 19 degrees 13 minutes 59 seconds, an arc length of 177.91 feet to a found 5/8 inch capped iron rod stamped "BHB INC" for the end of said reverse curve to the right;

THENCE North 29 degrees 32 minutes 59 seconds East, a distance of 863.15 feet to a found 5/8 inch capped iron rod stamped "BHB INC";

THENCE North 82 degrees 17 minutes 55 seconds West, a distance of 513.22 feet to a found 5/8 inch capped iron rod stamped "BHB INC" being the beginning of a curve to the right whose chord bears North 67 degrees 40 minutes 46 seconds West, a distance of 267.54 feet and having a radius of 530.00 feet;

THENCE Northwesterly, along said curve to the right through a central angle of 29 degrees 14 minutes 18 seconds, an arc length of 270.46 feet to a found 5/8 inch capped iron rod stamped "BHB INC" being the end of said curve to the right;

THENCE North 53 degrees 03 minutes 37 seconds West, a distance of 244.11 feet to a found 5/8 inch capped iron rod stamped "BHB INC" being the beginning of a curve to the right whose chord bears North 30 degrees 33 minutes 37 seconds West, a distance of 405.64 feet and having a radius of 530.00 feet;

THENCE Northwesterly, along said curve to the right through a central angle of 45 degrees 00 minutes 00 seconds, an arc length of 416.26 feet to a found 5/8 inch capped iron rod stamped "BHB INC" being the end of said curve to the right;

THENCE North 08 degrees 03 minutes 37 seconds West, a distance of 211.82 feet to a found 5/8 inch capped iron rod stamped "BHB INC" being the beginning of a curve to the right whose chord bears North 00 degrees 10 minutes 46 seconds West, a distance of 282.46 feet and having a radius of 1,030.00 feet;

THENCE Northwesterly, along said curve to the right through a central angle of 15 degrees 45 minutes 42 seconds, an arc length of 283.35 feet to a found 5/8 inch capped iron rod stamped "BHB INC" being the end of said curve to the right;

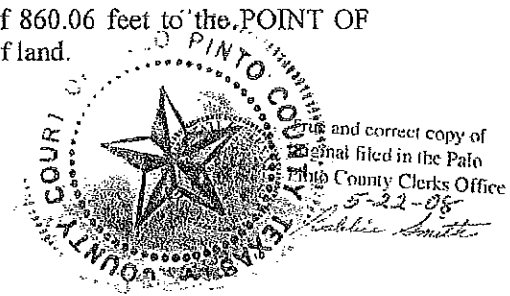
THENCE North 07 degrees 42 minutes 05 seconds East, a distance of 112.15 feet to a found 5/8 inch capped iron rod stamped "BHB INC";

THENCE North 82 degrees 40 minutes 44 seconds West, a distance of 1271.05 feet to a found 5/8 inch capped iron rod stamped "BHB INC";

THENCE South 55 degrees 51 minutes 06 seconds West, a distance of 532.50 feet to a found 5/8 inch capped iron rod stamped "BHB INC";

THENCE South 78 degrees 16 minutes 58 seconds West, a distance of 592.59 feet to a found 5/8 inch capped iron rod stamped "BHB INC";

THENCE North 87 degrees 34 minutes 19 seconds West, a distance of 860.06 feet to the POINT OF BEGINNING and containing 10,844,980.0 square feet or 248.966 acres of land.



**PHASE III, SECTION 5**

Being a tract of land situated in the D. C. Coffman Survey, A-1531; T.W. Moore Survey, A-1280; T.W. Moore Survey, A-1502; T. W. Moore Survey, A-1907; L. J. Pitts Survey, A-1289; T. J. Bradford Survey, A-1628 and the M. E. Conatser Survey, A- 1461 all within Palo Pinto County, Texas, said tract being a portion of two tract deeded to Possum Kingdom Corporation per documents as recorded in Volume 1373, Page 40 and Volume 1408, Page 263 of the Official Public Records of Palo Pinto County, Texas, said tract being more particularly described by metes and bound as follows:

BEGINNING at a found 5/8 inch capped iron rod stamped "BHB INC" being the northeast corner of Lot 370, The Hills Above Possum Kingdom Lake, Phase Two, Section Three as recorded in Volume 9, Page 98, Slide 664 of the Official Public Records of Palo Pinto, County, Texas;

THENCE South 88 degrees 06 minutes 00 seconds West, along the northerly line of said The Hills Above Possum Kingdom Lake, Phase Two, Section Three, passing an "+" cut in rock being the northwest corner of said Lot 370 at a distance of 800.17 and continuing for a total distance of 860.17 feet to a found 5/8 inch capped iron rod stamped "BHB INC";

THENCE along said northerly line of said The Hills Above Possum Kingdom Lake, Phase Two, Section Three the following:

THENCE South 01 degrees 54 minutes 00 seconds East, a distance of 87.93 feet to a found 5/8 inch capped iron rod stamped "BHB INC" being the northeast corner of Lot 280 of said The Hills Above Possum Kingdom Lake, Phase Two, Section Three;

THENCE South 88 degrees 06 minutes 00 seconds West, a distance of 305.59 feet to a found 5/8 inch capped iron rod stamped "BHB INC" being the northwest corner of Lot 281 also being the northeast corner of Lot 282 of said The Hills Above Possum Kingdom Lake, Phase Two, Section Three;

THENCE North 72 degrees 56 minutes 08 seconds West, a distance of 497.27 feet to a found 5/8 inch capped iron rod stamped "BHB INC";

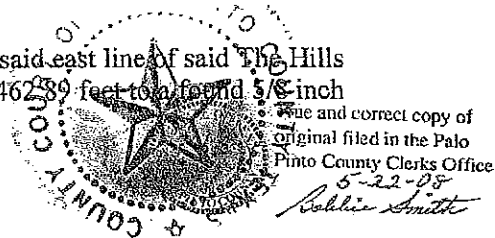
THENCE North 82 degrees 40 minutes 44 seconds West, continuing along said northerly line of said The Hills Above Possum Kingdom Lake, Phase Two, Section Three passing the northwest corner of Lot 302 being a found 5/8 inch capped iron rod stamped "BHB INC" at a distance of 3,338.73 feet and continuing along the north line of Lot 303 of The Hills Above Possum Kingdom Lake, Phase Two, Section Three B as recorded in Volume 9, Page 122, Slide 688 of said Official Public Records of Palo Pinto County, Texas for a total distance of 3,470.69 feet to a found 5/8 inch capped iron rod stamped "BHB INC";

THENCE North 71 degrees 31 minutes 49 seconds West, a distance of 588.22 feet to a found 5/8 inch capped iron rod stamped "BHB INC"

THENCE North 34 degrees 40 minutes 38 seconds West, a distance of 207.24 feet to a found 5/8 inch capped iron rod stamped "BHB INC";

THENCE North 71 degrees 31 minutes 49 seconds West, a distance of 95.14 feet to a found 5/8 inch capped iron rod stamped "BHB INC" being on the east line of said The Hills Above Possum Kingdom Lake, Phase Two, Section Three B;

THENCE North 39 degrees 33 minutes 34 seconds West, continuing along said east line of said The Hills Above Possum Kingdom Lake, Phase Two, Section Three B, a distance of 462.89 feet to a found 5/8 inch



capped iron rod stamped "BHB INC" being the northeast corner of Lot 373 of said The Hills Above Possum Kingdom Lake, Phase Two, Section Three B;

THENCE South 72 degrees 26 minutes 57 seconds West, along the north line of said The Hills Above Possum Kingdom Lake, Phase Two, Section Three B also being the north line of said Lot 373, passing at a distance of 193.68 feet a found 5/8 inch capped iron rod stamped "BHB INC" being the northwest corner of said Lot 373 also being the northeast corner of Lot 279 of said The Hills Above Possum Kingdom Lake, Phase Two, Section Three and continuing along the north line of said Lot 279, a total distance of 728.98 feet to a found 5/8 inch capped iron rod stamped "BHB INC" being the northwest corner of said Lot 279 and also being on the easterly right of way line of Crimson Clover Drive (a 60' wide R.O.W.);

THENCE South 82 degrees 22 minutes 52 seconds West, crossing said Crimson Clover Drive (a 60' wide R.O.W.), a distance of 60.00 feet to a found 5/8 inch capped iron rod stamped "BHB INC" being the northeast corner of Lot 468 of The Hills Above Possum Kingdom Lake, Phase Two, Section Three A as recorded in Volume 9, Page 121, Slide 687 of said Official Public Records of Palo Pinto County, Texas and also being on the westerly right of way line of Crimson Clover Drive (a 60' wide R.O.W.);

THENCE South 88 degrees 06 minutes 18 seconds West, along the north line of said Lot 468, a distance of 832.14 feet to a found 5/8 inch capped iron rod stamped "BHB INC" being on the easterly right of way line of State Highway No. 16 (a 120' R.O.W.) and being the beginning of a non tangent curve to the right whose chord bears North 08 degrees 46 minutes 19 seconds West, a distance of 333.00 and having a radius of 1,849.77 feet;

THENCE northwesterly along said non tangent curve to the right and along said easterly right of way line of State Highway No. 16 (a 120' R.O.W.) through a central angle of 10 degrees 19 minutes 42 seconds, an arc length of 333.45 feet to a set 5/8 inch capped iron rod stamped "BHB INC" for the end of said non tangent curve to the right;

THENCE North 03 degrees 31 minutes 37 seconds West, along said easterly right of way line of State Highway No. 16 (a 120' R.O.W.), a distance of 672.22 feet to a set 5/8 inch capped iron rod stamped "BHB INC";

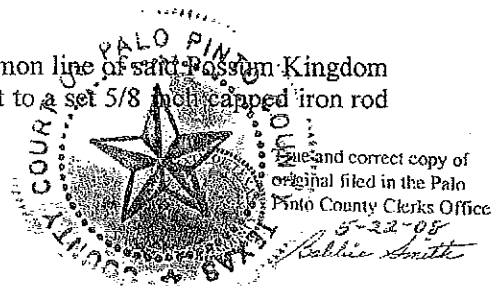
THENCE South 81 degrees 06 minutes 41 seconds East, leaving said easterly right of way line of State Highway No. 16 (a 120' R.O.W.), a distance of 297.62 feet to a set 5/8 inch capped iron rod stamped "BHB INC";

THENCE North 09 degrees 39 minutes 40 seconds East, a distance of 1,072.78 feet to a set 5/8 inch capped iron rod stamped "BHB INC";

THENCE North 26 degrees 23 minutes 36 seconds East, a distance of 270.23 feet to a set 5/8 inch capped iron rod stamped "BHB INC";

THENCE North 33 degrees 30 minutes 40 seconds East, a distance of 2,653.91 feet to a set 5/8 inch capped iron rod stamped "BHB INC" being on the north line of said tract deeded to Possum Kingdom Corporation also being the south line of a tract deeded to Scott Herring as recorded in Volume 902, Page 824 of said Official Public Records;

THENCE North 89 degrees 50 minutes 06 seconds East, along the common line of said Possum Kingdom Corporation tract and said Scott Herring tract, a distance of 142.93 feet to a set 5/8 inch capped iron rod stamped "BHB INC";



THENCE North 89 degrees 44 minutes 25 seconds East, continuing along said north line of said tract deeded to Possum Kingdom Corporation also being the south line of a tract deeded to L.W. Ellis as recorded in Volume 1270, Page 285 of said Official Public Records, a distance of 3,740.91 feet to a found 3/8 inch iron rod;

THENCE South 00 degrees 24 minutes 59 seconds East, along the east line of said tract deeded to Possum Kingdom Corporation also being the west line of a tract deeded to J. C. Bryan as recorded in Volume 1090, Page 602 of said Official Public Records, a distance of 3,755.44 feet to a found 1/2 inch capped iron rod stamped "Lawson";

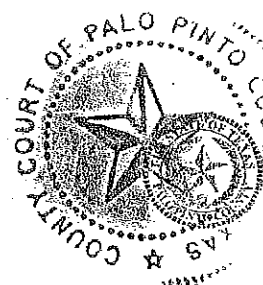
THENCE North 89 degrees 44 minutes 37 seconds East, along the common line of said tract deeded to Possum Kingdom corporation and said tract deeded to J. C. Bryan, a distance of 1,792.34 feet to a found 1/2 inch iron rod;

THENCE South 01 degrees 54 minutes 49 seconds East, along the east line of said tract deeded to Possum Kingdom Corporation and along a boundary line agreement as recorded in Volume 1391, Page 688 of said Official Public Records, a distance of 1,687.60 feet to the POINT OF BEGINNING and containing 28,650,624.8 square feet or 657.728 acres of land.

STATE OF TEXAS  
COUNTY OF PALO PINTO  
I, CLERK OF SAID COUNTY, DO HEREBY CERTIFY THAT THE FOREGOING IS A TRUE AND CORRECT COPY OF THE ORIGINAL FILED IN THE PALO PINTO COUNTY CLERKS OFFICE ON 5-22-08.

Exhibit A - Legal Description - Page 11 of 16

Dallas\_1\5202244\5  
45385-7 5/8/2008



True and correct copy of  
Original filed in the Palo  
Pinto County Clerks Office  
5-22-08  
Robin Smith