




# **ARTICLES OF INCORPORATION**

EXHIBIT "B"

<p>Corporations Section P.O. Box 11697 Austin, Texas 78711-1697</p>		<p>Geoffrey S. Connor Secretary of State</p>
<p><b>Office of the Secretary of State</b></p>		
<p><b>CERTIFICATE OF INCORPORATION OF</b></p>		
<p>Cascades Homeowners Association, Inc. Filing Number: 800302901</p>		
<p>The undersigned, as Secretary of State of Texas, hereby certifies that Articles of Incorporation for the above named corporation have been received in this office and have been found to conform to law.</p>		
<p>Accordingly, the undersigned, as Secretary of State, and by virtue of the authority vested in the Secretary by law, hereby issues this Certificate of Incorporation.</p>		
<p>Issuance of this Certificate of Incorporation does not authorize the use of a name in this state in violation of the rights of another under the federal Trademark Act of 1946, the Texas trademark law, the Assumed Business or Professional Name Act, or the common law.</p>		
<p>Dated: 02/10/2004</p>		
<p>Effective: 02/10/2004</p>		
	 Geoffrey S. Connor Secretary of State	
<p><small>Corporations Section PHONE (512) 463-5555 FAX (512) 463-5709 Proposed by: William Wilburn Pace</small></p>		
<p><small>TTV7-1-1</small></p>		

Corporations Section  
P.O. Box 13697  
Austin, Texas 78711-3697



Geoffrey S. Connor  
Secretary of State

Office of the Secretary of State

February 10, 2004

Capital Services Inc  
P O Box 1831  
Austin, TX 78767 USA

RE: Cascades Homeowners Association, Inc.  
File Number: 800302902

It has been our pleasure to file the articles of incorporation and issue the enclosed certificate of incorporation evidencing the existence of the newly created corporation.

Corporations organized under the Texas Non-Profit Corporation Act do not automatically qualify for an exemption from federal and state taxes. Shortly, the Comptroller of Public Accounts will be contacting the corporation at its registered office for information that will assist the Comptroller in setting up the franchise tax account for the corporation. If you need to contact the Comptroller about franchise taxes or exemption therefrom, you may contact the agency by calling (800) 252-1381, by e-mail to [tax\\_help@comptroller.state.tx.us](mailto:tax_help@comptroller.state.tx.us) or by writing P. O. Box 13528, Austin, TX 78711-3528. Telephone questions regarding other business taxes, including sales taxes, should be directed to (800) 252-5555. Information on exemption from federal taxes is available from the Internal Revenue Service.

Non-profit corporations do not file annual reports with the Secretary of State, but do file a report not more often than once every four years as requested by the Secretary. It is important for the corporation to continuously maintain a registered agent and office in Texas as this is the address to which the Secretary of State will send a request to file a periodic report. Failure to maintain a registered agent or office in Texas, failure to file a change to the agent or office information, or failure to file a report when requested may result in involuntary dissolution of the corporation. Additionally, a non-profit corporation will file documents with the Secretary of State if the corporation needs to amend one of the provisions in its articles of incorporation.

If we can be of further service at any time, please let us know.

Sincerely,

Corporations Section  
Statutory Filings Division  
(512) 463-5555  
Enclosure

Come visit us on the Internet at <http://www.sos.state.tx.us/>  
PHONE (512) 463-5555 FAX (512) 463-5709  
Prepared by: WT Line Wireless Plus

TTY 711-1

ARTICLES OF INCORPORATION

OF

CASCADES HOMEOWNERS ASSOCIATION, INC.

FILED  
In the Office of the  
Secretary of State of Texas

FEB 10 2004

Corporations Section

The undersigned, a natural person of the age of eighteen (18) years or more, acting as an incorporator of a corporation under the Texas Non-Profit Corporation Act (the "Act"), does hereby adopt the following Articles of Incorporation for such corporation (hereinafter referred to as the "Corporation").

ARTICLE ONE

The name of the Corporation is the Cascades Homeowners Association, Inc.

ARTICLE TWO

The Corporation is a non-profit corporation.

ARTICLE THREE

The Corporation shall have a perpetual duration.

ARTICLE FOUR

The purposes for which the Corporation is formed are to maintain and administer certain portions of real property and improvements known as Cascades (the "Property") located in Smith County, Texas, and more particularly described in that certain Declaration of Covenants, Conditions, and Restrictions for Cascades (the "Declaration") filed or to be filed of record in the Real Property Records of Smith County, Texas, and to promote the health, safety, and welfare of the residents within the Property and for this purpose to (a) exercise all of the powers and privileges and to perform all of the duties and obligations of the Corporation as set forth in the Declaration and Bylaws of the Corporation; and (b) have and to exercise any and all powers, rights and privileges which a corporation organized under the Act by law may now or hereafter have or exercise.

ARTICLE FIVE

The street address of the Corporation's initial registered office is 2611 Cascades Golf Club Drive, Tyler, Texas 75709, and the name of the initial registered agent at such address is Lew Anderson.

ARTICLES OF INCORPORATION OF  
CASCADES HOMEOWNERS ASSOCIATION, INC. - Page 1  
(CORPORATION ORGANIZED UNDER THE ACT BY LAW MAY NOW OR HEREAFTER HAVE OR EXERCISE)



ARTICLE SIX

The number of directors constituting the initial Board of Directors of the Corporation is three (3) and the names and mailing addresses of such persons who are to serve as directors until their successors are elected and qualified are:

Lew Anderson  
2611 Cascades Golf Club Drive  
Tyler, TX 75709

William R. Cawley  
14001 Dallas Parkway, Suite 1111  
Dallas, TX 75240

Terry Lowrey  
14001 Dallas Parkway, Suite 1111  
Dallas, TX 75240

Hereafter, the number of directors shall be determined in accordance with the Bylaws of the Corporation.

ARTICLE SEVEN

The name and mailing address of the incorporator is Lorne M. Keith, Geary, Porter & Danvers, P.C., 16475 Dallas Parkway, Suite 500, Addison, TX 75001.

ARTICLE EIGHT

Upon dissolution of the Corporation, after all liabilities and obligations of the Corporation have been paid, satisfied and discharged, all remaining assets owned or held by the Corporation shall be distributed only for tax exempt purposes to one or more organizations which are exempt under Section 501(c)(3) of the Internal Revenue Code, or its successor statute, as determined by the Board of Directors. No part of the income of the Corporation shall be distributable to its members, directors or officers.

ARTICLE NINE

A director of the Corporation shall not be liable to the Corporation or its members for monetary damages for any act or omission in the director's capacity as a director, except that this Article Nine does not authorize the elimination or limitation of the liability of a director to the extent the director is found liable for:

- (a) a breach of the director's duty of loyalty to the Corporation or its Members;

ARTICLES OF INCORPORATION OF  
CASCADES HOMEOWNERS ASSOCIATION, INC. - Page 1  
ORGANIZED UNDER THE PROVISIONS OF THE TEXAS BUSINESS ORGANIZATION ACT

(b) an act or omission not in good faith that constitutes a breach of duty of the director to the Corporation or an act or omission that involves intentional misconduct or a knowing violation of the law;

(c) a transaction from which the director received an improper benefit, whether or not the benefit resulted from an action taken within the scope of the director's office; or

(d) an act or omission for which the liability of a director is expressly provided by an applicable statute.

The foregoing elimination of liability to the Corporation shall not be deemed exclusive of any other rights, limitations of liability or indemnity to which a director may be entitled under any other provision of these Articles of Incorporation, the Bylaws of the Corporation, a contract or agreement, vote of directors, principle of law or otherwise. Any repeal or modification of this Article shall be prospective only, and shall not adversely affect any limitation of the personal liability of a director of the Corporation existing at the time of the repeal or modification. In addition to the circumstances in which a director of the Corporation is not liable as set forth in the foregoing provisions of this Article Nine, a director shall not be liable to the full extent permitted by any amendment to the Texas Miscellaneous Corporation Laws Act or the Act hereinafter enacted that further limits the liability of a director.

#### ARTICLE TEN

The Corporation shall indemnify a person who was, is, or is threatened to be made a named defendant or respondent in litigation or other proceeding because the person is or was a director, officer, or other person related to the Corporation to the fullest extent permitted by applicable law.

#### ARTICLE ELEVEN

Any action required by the Act to be taken at a meeting of the members or directors of the Corporation or any action that may be taken at a meeting of the members or directors or of any committee may be taken without a meeting if a consent in writing, setting forth the action to be taken, is signed by a sufficient number of members, directors, or committee members as would be necessary to take that action at a meeting at which all of the members, directors, or members of the committee were present and voted.

IN WITNESS THEREOF, I, the undersigned incorporator of this Corporation have executed these Articles of Incorporation on this 9th day of February, 2004.

Laura M. Keith  
Laura M. Keith, Incorporator

ARTICLES OF INCORPORATION OF  
CASCADIA HOMEOWNERS ASSOCIATION, INC. - Page 3  
OPTIONAL FORM NO. 301 (2002) (a) (b) (c) (d) (e) (f) (g) (h) (i) (j) (k) (l) (m) (n) (o) (p) (q) (r) (s) (t) (u) (v) (w) (x) (y) (z) (aa) (ab) (ac) (ad) (ae) (af) (ag) (ah) (ai) (aj) (ak) (al) (am) (an) (ao) (ap) (aq) (ar) (as) (at) (au) (av) (aw) (ax) (ay) (az) (ba) (bb) (bc) (bd) (be) (bf) (bg) (bh) (bi) (bj) (bk) (bl) (bm) (bn) (bo) (bp) (bq) (br) (bs) (bt) (bu) (bv) (bw) (bx) (by) (bz) (ca) (cb) (cc) (cd) (ce) (cf) (cg) (ch) (ci) (cj) (ck) (cl) (cm) (cn) (co) (cp) (cq) (cr) (cs) (ct) (cu) (cv) (cw) (cx) (cy) (cz) (da) (db) (dc) (dd) (de) (df) (dg) (dh) (di) (dj) (dk) (dl) (dm) (dn) (do) (dp) (dq) (dr) (ds) (dt) (du) (dv) (dw) (dx) (dy) (dz) (ea) (eb) (ec) (ed) (ee) (ef) (eg) (eh) (ei) (ej) (ek) (el) (em) (en) (eo) (ep) (eq) (er) (es) (et) (eu) (ev) (ew) (ex) (ey) (ez) (fa) (fb) (fc) (fd) (fe) (ff) (fg) (fh) (fi) (fj) (fk) (fl) (fm) (fn) (fo) (fp) (fq) (fr) (fs) (ft) (fu) (fv) (fw) (fx) (fy) (fz) (ga) (gb) (gc) (gd) (ge) (gf) (gg) (gh) (gi) (gj) (gk) (gl) (gm) (gn) (go) (gp) (gq) (gr) (gs) (gt) (gu) (gv) (gw) (gx) (gy) (gz) (ha) (hb) (hc) (hd) (he) (hf) (hg) (hh) (hi) (hj) (hk) (hl) (hm) (hn) (ho) (hp) (hq) (hr) (hs) (ht) (hu) (hv) (hw) (hx) (hy) (hz) (ia) (ib) (ic) (id) (ie) (if) (ig) (ih) (ii) (ij) (ik) (il) (im) (in) (io) (ip) (iq) (ir) (is) (it) (iu) (iv) (iw) (ix) (iy) (iz) (ja) (jb) (jc) (jd) (je) (jf) (jg) (jh) (ji) (jj) (jk) (jl) (jm) (jn) (jo) (jp) (jq) (jr) (js) (jt) (ju) (jv) (jw) (jx) (jy) (jz) (ka) (kb) (kc) (kd) (ke) (kf) (kg) (kh) (ki) (kj) (kk) (kl) (km) (kn) (ko) (kp) (kq) (kr) (ks) (kt) (ku) (kv) (kw) (kx) (ky) (kz) (la) (lb) (lc) (ld) (le) (lf) (lg) (lh) (li) (lj) (lk) (ll) (lm) (ln) (lo) (lp) (lq) (lr) (ls) (lt) (lu) (lv) (lw) (lx) (ly) (lz) (ma) (mb) (mc) (md) (me) (mf) (mg) (mh) (mi) (mj) (mk) (ml) (mm) (mn) (mo) (mp) (mq) (mr) (ms) (mt) (mu) (mv) (mw) (mx) (my) (mz) (na) (nb) (nc) (nd) (ne) (nf) (ng) (nh) (ni) (nj) (nk) (nl) (nm) (nn) (no) (np) (nq) (nr) (ns) (nt) (nu) (nv) (nw) (nx) (ny) (nz) (oa) (ob) (oc) (od) (oe) (of) (og) (oh) (oi) (oj) (ok) (ol) (om) (on) (oo) (op) (oq) (or) (os) (ot) (ou) (ov) (ow) (ox) (oy) (oz) (pa) (pb) (pc) (pd) (pe) (pf) (pg) (ph) (pi) (pj) (pk) (pl) (pm) (pn) (po) (pp) (pq) (pr) (ps) (pt) (pu) (pv) (pw) (px) (py) (pz) (qa) (qb) (qc) (qd) (qe) (qf) (qg) (qh) (qi) (qj) (qk) (ql) (qm) (qn) (qo) (qp) (qq) (qr) (qs) (qt) (qu) (qv) (qw) (qx) (qy) (qz) (ra) (rb) (rc) (rd) (re) (rf) (rg) (rh) (ri) (rj) (rk) (rl) (rm) (rn) (ro) (rp) (rq) (rr) (rs) (rt) (ru) (rv) (rw) (rx) (ry) (rz) (sa) (sb) (sc) (sd) (se) (sf) (sg) (sh) (si) (sj) (sk) (sl) (sm) (sn) (so) (sp) (sq) (sr) (ss) (st) (su) (sv) (sw) (sx) (sy) (sz) (ta) (tb) (tc) (td) (te) (tf) (tg) (th) (ti) (tj) (tk) (tl) (tm) (tn) (to) (tp) (tq) (tr) (ts) (tu) (tv) (tw) (tx) (ty) (tz) (ua) (ub) (uc) (ud) (ue) (uf) (ug) (uh) (ui) (uj) (uk) (ul) (um) (un) (uo) (up) (uq) (ur) (us) (ut) (uu) (uv) (uw) (ux) (uy) (uz) (va) (vb) (vc) (vd) (ve) (vf) (vg) (vh) (vi) (vj) (vk) (vl) (vm) (vn) (vo) (vp) (vq) (vr) (vs) (vt) (vu) (vv) (vw) (vx) (vy) (vz) (wa) (wb) (wc) (wd) (we) (wf) (wg) (wh) (wi) (wj) (wk) (wl) (wm) (wn) (wo) (wp) (wq) (wr) (ws) (wt) (wu) (wv) (ww) (wx) (wy) (wz) (xa) (xb) (xc) (xd) (xe) (xf) (xg) (xh) (xi) (xj) (xk) (xl) (xm) (xn) (xo) (xp) (xq) (xr) (xs) (xt) (xu) (xv) (xw) (xx) (xy) (xz) (ya) (yb) (yc) (yd) (ye) (yf) (yg) (yh) (yi) (yj) (yk) (yl) (ym) (yn) (yo) (yp) (yq) (yr) (ys) (yt) (yu) (yv) (yw) (yx) (yy) (yz) (za) (zb) (zc) (zd) (ze) (zf) (zg) (zh) (zi) (zj) (zk) (zl) (zm) (zn) (zo) (zp) (zq) (zr) (zs) (zt) (zu) (zv) (zw) (zx) (zy) (zz)

# **BYLAWS**

EXHIBIT "C"

BYLAWS  
OF  
CASCADES HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

NAME AND PURPOSE OF CORPORATION

Section 1.1 Name of Corporation. The name of the corporation is Cascades Homeowners Association, Inc. (the "Association").

Section 1.2 Purpose of Association. The purposes for which the Association is formed are to maintain and administer certain real property and improvements known as Cascades (the "Property") located in Smith County, Texas, and more particularly described in that certain Declaration of Covenants, Conditions, and Restrictions for Cascades (the "Declaration") filed or to be filed of record in the Real Property Records of Smith County, Texas, and to promote the health, safety, and welfare of the residents within the Property and for this purpose to (a) exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration and in these Bylaws of the Association; and (b) have and to exercise any and all powers, rights and privileges which a corporation organized under the Texas Non-Profit Corporation Act by law may now or hereafter have or exercise.

Section 1.3 Defined Terms. All capitalized terms used herein which are not identified herein shall have the meaning set forth in the Declaration which is incorporated herein for all intents and purposes by reference. For purposes of these Bylaws, the term "Member" shall also mean the Subdivision Representative(s) elected by Class A Members of a particular Subdivision.

ARTICLE II

MEMBERSHIP

Section 2.1 Membership. The qualifications for membership in the Association, and the voting rights associated therewith, are set forth in the Declaration. Each Member shall have the rights and obligations set forth in the Declaration and be subject to the rules and regulations of the Association as may be adopted and/or amended from time to time.

Section 2.2 Assessments. Each Owner of any Lot, by acceptance of a Deed therefor, whether or not reference to the Declaration shall be so expressed in any such Deed or other conveyance, shall be deemed to have covenanted and agreed to pay the Association (or to an independent entity or agency which may be designated by the Association to receive such monies)

all Assessments and other Charges assessed or levied against the Owner(s) and the Lots as provided for by Article V of the Declaration.

Section 2.3 Special Meeting of Members. Special meetings of the Members may be called by the President of the Association, the Board of Directors, Subdivision Representatives and/or Members in good standing (as defined in the Declaration) having not less than fifty-one percent (51%) of the votes entitled to be cast at such meeting, or such other officers or persons as may be provided in the Articles of Incorporation. A special meeting of the Members shall be called by the Organizational Directors upon the expiration of the Development Period for the purpose of electing the Initial Board (as hereinafter defined) and fixing the time and place of the first meeting of the Initial Board. In the event such meeting is not called by the Organizational Directors within thirty (30) business days from the expiration of the Development Period, the meeting may be held at such time and place as shall be specified in a notice given as herein provided for special meetings of the Members.

Section 2.4 Annual Meeting of Members. Subdivision Representatives of and/or Members shall hold an annual meeting each year at such time as the Board of Directors designates for the purpose of electing Directors (if the term of office of one or more Directors shall be expiring upon such annual meeting) and conducting such other business as they may deem necessary and appropriate in accordance with these Bylaws and the Declaration.

Section 2.5 Place of Meeting. Meetings of the Subdivision Representatives and/or Members shall be held at the principal office of the Association, unless some other place, within or outside of the State of Texas, shall be stated in the notice of the meeting or in a duly executed waiver thereof.

Section 2.6 Notice of Meeting. Written or printed notice of any meeting stating the place, day, hour and, in the case of special meetings, the purpose or purposes for which a special meeting is called, shall be delivered to each Subdivision Representative and/or Member not less than ten (10) days or more than sixty (60) days prior to the date for which the meeting is called. Notice shall be given by or at the direction of the President or Secretary of the Association or the officers or persons calling the meeting.

Section 2.7 Quorum. A majority of the votes of Members in good standing at a meeting of the Subdivision Representatives and/or Members shall constitute a quorum for the transaction of business at the meeting, and, except as provided in the Declaration, the act of the majority of the votes of Members in good standing present at a meeting at which a quorum is present shall be the act of the Members. If, at any meeting of the Subdivision Representatives and/or Members, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time.

Section 2.8 Voting Rights. Members shall have those voting rights set forth in Article IV of the Declaration and these Bylaws.

Section 2.9 Method of Voting. Subdivision Representatives and/or Members may vote either in person or by proxy executed in writing by the Subdivision Representative and/or Member

which shall be valid for eleven (11) months from the date of its execution, unless otherwise expressly provided in the proxy. Each proxy shall be revocable unless expressly provided therein to be irrevocable and in no event shall it remain irrevocable for more than eleven (11) months. Voting for Directors shall be in accordance with the provisions of these Bylaws, the Articles of Incorporation and the Declaration.

Section 2.10 Voting Procedure. Voting on any question and on all matters of agenda and procedure shall be determined in the sole discretion of the presiding officer except where otherwise required by law, these Bylaws, the Articles of Incorporation or the Declaration.

### ARTICLE III

#### BOARD OF DIRECTORS

Section 3.1 Management of Association. The business and affairs of the Association, and the control and disposition of its properties, shall be vested in the Board of Directors (the "Board"). The powers and duties of the Board shall include those obligations and rights set forth expressly in the Declaration.

Section 3.2 Number of Directors. Prior to the expiration of the Development Period, the affairs of the Association shall be managed by a Board consisting of three (3) individuals (the "Organizational Directors"), all of whom shall be appointed by the Declarant. From and after the expiration of the Development Period, the affairs of the Association shall be managed by a Board consisting of five (5) individuals, all of whom shall be elected by the Subdivision Representatives and/or Class A Members.

Section 3.3 Qualifications of Directors. Any person may serve as Director of the Association whether or not he or she is a resident of the State of Texas. Directors need not be Members of the Association.

Section 3.4 Directors. The initial Organizational Directors of the Association shall be the directors named in the Articles of Incorporation. The Organizational Directors shall serve until a special meeting of the Subdivision Representatives and/or Members held immediately following the expiration of the Development Period. At such special meeting of the Subdivision Representatives and/or Members, the Organizational Directors' successors (the "Initial Board") shall be elected and qualified. Other than the Organizational Directors and the Initial Board to be elected immediately following the expiration of the Development Period, Directors shall be elected for two (2) year terms of office and shall serve until their respective successors are elected and qualified. The terms of office for the Directors constituting the Initial Board elected immediately following the expiration of the Development Period shall be one (1) year for two (2) of the Directors and two (2) years for the other three (3) Directors. Any vacancy which occurs in the Board, by reason of death, resignation, removal, or otherwise of a Director appointed by the Declarant or elected by the Subdivision Representatives of and/or the Class A Members, may be filled at any meeting of the Board by the affirmative vote of a majority of the remaining Directors. Any Director elected to fill a vacancy shall

serve in such capacity until the expiration of the term of the Director whose position he or she was elected to fill.

Section 3.5 Removal of Director. Prior to the expiration of the Development Period, the Class B Member shall have the right and power to remove any Organizational Director for any reason, with or without cause, and to designate his or her successor Director. From and after the expiration of the Development Period, any Director may be removed at any time as a Director hereof, for any reason, with or without cause, pursuant to a majority of the votes of the Members in good standing cast at a special meeting noticed and called for that purpose, at which a quorum is present.

Section 3.6 Director Meetings. All meetings of the Board shall be held in strict conformity with these Bylaws.

(a) Annual Meetings. Annual meetings of the Board shall be held at least once a year at such time and place as the Chairman of the Board shall designate. The Board may provide by resolution the time and place, either within or outside of the State of Texas, for the holding of additional regular meetings of the Board without notice other than the passing of such resolution.

(b) Special Meetings. Special meetings of the Board may be called by or at the request of the President or by the Chairman of the Board, or as may be provided by law or the Articles of Incorporation. Notice of the call of any special meeting shall be in writing and delivered to each Director not later than three (3) days immediately preceding the day for which the Special Meeting is called.

(c) First Meeting of Initial Board. The first meeting of the Initial Board shall be held at such time and place as shall be fixed by the vote of the Members at the special meeting of the Subdivision Representatives and/or Members held immediately following the expiration of the Development Period. In the event of the failure of the Subdivision Representatives and/or Members to fix the time and place of such first meeting of the Initial Board, or in the event such meeting is not held at the time and place so fixed by the Subdivision Representatives and/or Members, the meeting may be held at such time and place as shall be specified in a notice given as herein provided for special meetings of the Board of Directors, or as shall be specified in a written waiver signed by all of the Directors.

Section 3.7 Quorum of Directors. A majority of the number of Directors then elected and serving shall constitute a quorum for the transaction of business. The act of the majority of the Directors attending a meeting at which a quorum is present shall be the act of the Board, unless the vote of a greater percentage is otherwise specifically required or provided by law, these Bylaws, the Articles of Incorporation, or the Declaration. The Directors present at a duly organized meeting may continue to transact business until adjournment notwithstanding the withdrawal of enough Directors to leave less than a quorum present.

Section 3.8 Meeting by Telephone. The Board, as well as any committee thereof, may hold a meeting by telephone conference call procedures in which all persons participating in the meeting can hear each other. The notice of a meeting by telephone conference must state the fact that the meeting will be held by telephone as well as all other matters required to be included in the notice. Participation of a person in a conference call meeting constitutes presence of that person at the meeting.

Section 3.9 Action Without Meeting. Any action required to be or which may be taken at a meeting of the Directors may be taken without a meeting if consent in writing, setting forth the action so taken, shall be signed by a sufficient number of the Directors as would be necessary to take that action at a meeting at which all of the directors were present and voted. Such consent shall be delivered to the Secretary of the Association for inclusion in the Minute Book of the Association.

Section 3.10 Chairman of the Board. The Board shall, by majority vote of such Directors, select one of their number to be the Chairman of the Board who shall preside at all Director's meetings. The Chairman of the Board so elected shall hold such office for the term for which he or she is elected Director and until his or her successor shall have been elected and qualified.

Section 3.11 Compensation. No Director shall receive any compensation for acting as such. The Board may adopt rules authorizing the reimbursement, or advancement of funds, to Directors for reasonable out of pocket expenditures made on behalf of the Association or for reasonable expenses incurred in attending meetings of the Board.

Section 3.12 Committees. The Board may appoint Committees which, in each case, shall have the duties, authority, rights, and powers as the Board may determine.

Section 3.13 Committee Procedures. A majority of the members of each Committee shall fix and prescribe the rules for its procedure which shall not be inconsistent with law, these Bylaws, the Articles of Incorporation, or the Declaration. Each Committee shall keep full and complete minutes of all of its meetings, and the presiding member thereof shall report all actions taken at the first Directors' meeting succeeding such action(s). The Board may modify, alter, revise, and/or approve any action taken by any Committee, provided that no rights or acts of third parties shall be affected by any such modification, alteration, or revision. The term of each member of all committees shall expire on the day of the next annual meeting of the Directors following such member's appointment to the committee.

#### ARTICLE IV

##### OFFICERS

Section 4.1 Officer Positions. The officers of the Association shall be a President and a Secretary. In addition, the Association may have offices of one or more Vice-Presidents or Treasurers. The Board may create additional officer positions, define the authority of and duties of



each such position, and elect or appoint persons to fill the positions. Any two or more offices may be held by the same person except the offices of President and Secretary.

Section 4.2 President. The President shall be the principal executive officer of the Association and shall, in general, supervise and control all of the business and affairs of the Association.

(a) General Duties. The President shall generally perform all duties incident to the office of the President (except as may be modified by the Board) and such other duties as may be prescribed by the Board from time to time. The President shall see that all orders and resolutions of the Board are carried into effect, and shall submit a report of the activities and affairs of the Association at each annual meeting of the Board and at other times when called upon to do so by the Board.

(b) Meeting of Officers. The President, at his or her discretion, shall call all meetings of the officers of the Association at such time and place and with such notice as he or she may determine. He or she shall preside at all meetings of the officers, and if no Chairman of the Board has been elected or is not then acting, he or she shall preside at all Directors' meetings.

(c) Signature Required. The President shall sign, with the Secretary or an Assistant Secretary when required or deemed advisable, any deed, mortgage, bond, contract, or other instrument which the Board shall authorize to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed.

Section 4.3 Vice-Presidents. In the absence of the President or in the event of his or her ability or refusal to act, the Vice-President shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. The Vice-Presidents in the order designated by the Board, or in the order of their election in the absence of such designation, shall serve in such capacity in the event that there is more than one Vice-President. A Vice-President shall perform such other duties as from time to time may be assigned him or her by the President or by the Board.

Section 4.4 Secretaries. The Secretary shall perform all duties incident to the office of the Secretary (except as modified by the Board) and such other duties as from time to time may be assigned to him or her by the President or the Board. The Secretary (and Assistant Secretaries, if any are so elected by the Board) shall have all of the duties and responsibilities as given by the laws of the State of Texas and the Board, and shall have such other duties, responsibilities, and authority as provided herein.

(a) Minutes. The Secretary shall keep the minutes of the Directors' meetings in one or more books provided for that purpose.

(b) Notices. The Secretary shall see that all notices are duly given in accordance with the provisions of these Bylaws or otherwise required by law.

(c) Corporate Records. The Secretary shall be the custodian of the seal of the Association, if any, and of the corporate records.

Section 4.5 Treasurer. The Treasurer shall, in general, perform all of the duties incident to the office of the Treasurer (except as modified by the Board) and such other duties as may be from time to time assigned by the Board. No Treasurer shall be required to give a bond for the faithful discharge of his or her duties unless otherwise required by the Board. The Treasurer (and Assistant Treasurers as so elected by the Board) shall have the following specific authorities and duties:

(a) Corporate Funds. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Association and receive and give receipt for monies due and payable to the Association from any source whatsoever.

(b) Deposits. The Treasurer shall deposit all such monies in the name of the Association in such banks, trust companies, or other depositories as shall be selected by the Board.

Section 4.6 Assistant Treasurers and Assistant Secretaries. The Assistant Treasurers and Assistant Secretaries, if any are so elected by the Board, shall perform such duties and have such authority as shall be assigned to them by the Board.

Section 4.7 Election and Term of Office. The officers of the Association shall be elected by the Board for such term as they shall determine. Each officer shall hold office during his or her term and thereafter until his or her successor shall have been duly elected and qualified, unless he or she therefore dies, resigns, or is removed in the manner herein provided.

Section 4.8 Officer Compensation. The compensation, if any, of the officers of the Association shall be fixed from time to time by the Board. No officer shall be prevented from receiving such compensation by reason of the fact that he or she is also a Director of the Association.

Section 4.9 Employment and Other Contracts. The Board may authorize any officer(s) or agent(s) to enter into any contract or execute and deliver any instrument in the name of or on behalf of the Association, and such authority may be general or confined in specific instances. The Board, may, when it believes the interest of the Association will best be served thereby, authorize executive employment contracts which contain such other terms and conditions as the Board deems appropriate. Nothing herein shall limit the authority of the Board to authorize employment contracts for shorter terms.

Section 4.10 Removal from Office. Any officer or agent elected or appointed by the Board may be removed by the Board with or without cause and without notice to such officer or agent. Any such removal shall be pursuant to a vote by a majority of the Directors present at any regular meeting of the Board at which a quorum is present. Any removal shall be in accordance with these Bylaws

and the laws of the State of Texas, and such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of any officer or agent shall not in and of itself create contract rights. Notice of intention to act upon the question of removing any such officer or agent shall not be required if such matter is raised at a regular meeting of the Board, but shall be required before such matter can be considered by any special meeting of the Board.

Section 4.11 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, may be filled by appointment of the Board for the unexpired portion of the term.

## ARTICLE V

### OFFICES

Section 5.1 Principal Office. The principal office of the Association shall be 2611 Cascades Golf Club Drive, Tyler, Texas 75709.

Section 5.2 Registered Agent. The name of the registered agent of the Association is Lew Anderton and the address of the registered agent is 2611 Cascades Golf Club Drive, Tyler, Texas 75709.

Section 5.3 Other Offices. The Association may also have other offices at such other places as the Board may from time to time determine that the business of the Association shall require.

## ARTICLE VI

### NOTICES

Section 6.1 Method of Notice. Any notice required by the Articles of Incorporation, these Bylaws, or by law to be in writing shall be deemed to have been properly delivered when (a) deposited in the United States Mail, postage prepaid, addressed to the last known address of such Director, Subdivision Representative or Member as appears on the records of the Association at the time of such mailing or (b) delivered by hand or by messenger to the last known address of such Director or Member as appears on the records of the Association.

Section 6.2 Waiver of Notice. A written waiver of notice signed by the person(s) entitled to receive written notice shall be the equivalent to the giving of such notice. Attendance of a Director, Subdivision Representative or Member at a meeting shall constitute a waiver of notice of such meeting, except when a Director, Subdivision Representative or Member attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened in which instance, said objecting Director, Subdivision

Representative or Member shall cause his or her objection to be made in the minutes taken of any such meeting.

## ARTICLE VII

### GENERAL PROVISIONS

Section 7.1 Fiscal Year. The fiscal year of the Association shall mean each twelve (12) month period commencing on January 1 and ending on the following December 31, unless the Board shall otherwise select an alternative twelve (12) month period.

Section 7.2 Amendment to Bylaws. These Bylaws may be amended, altered or repealed by means of amendment, at any time and from time to time, on the following basis:

(a) During the Development Period, the Declarant shall have the complete and unfettered right and privilege to amend, change, revise, modify or delete portions of these Bylaws, and each and every Member specifically and affirmatively authorizes and empowers the Declarant to undertake, complete and consummate any and all such amendments, changes, revisions, modifications or deletions as the Declarant (in its sole and absolute discretion) shall deem reasonable and appropriate.

(b) From and after the Development Period, the Declarant shall have the complete and unfettered right and privilege to amend, change, revise, modify or delete portions of these Bylaws, and each and every Member specifically and affirmatively authorizes and empowers the Declarant to undertake, complete and consummate any and all such amendments, changes, revisions, modifications or deletions as the Declarant (in its sole and absolute discretion) shall deem reasonable and appropriate; provided, however, that any such amendment (i) is necessary to (A) bring any provision into compliance with any applicable governmental statute, rule, regulation or judicial determination; (B) enable any reputable title insurance company to issue title insurance coverage on the Lots; (C) enable any institutional or governmental lender, purchaser, insurer, or guarantor of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure or guarantee mortgage loans on the Lots; or (D) satisfy the requirements of the City, County any local, state or federal governmental agency; or (ii) has no material, adverse effect upon a right granted an Owner under the Declaration or these Bylaws without such Owner's consent.

(c) From and after the Development Period or as otherwise specifically provided above, these Bylaws may be amended, altered, or repealed by the Board at a regular meeting of the Board at which a quorum is present and notice of the proposed amendment has been given as provided by the existing Bylaws. Such notice shall indicate the Bylaws to be amended, altered, or repealed and the general nature of the change(s) sought. A vote of a majority of the Directors attending a meeting at which a quorum is present shall be required to amend, alter, or repeal

these Bylaws. No amendment may remove, revoke or modify any right or privilege of Declarant without the written consent of the Declarant or the assignee of such right or privilege.

Section 7.3 Prohibition of Loans to Directors or Officers. The Association shall not make any loan to a Director or officer of the Association.

Section 7.4 Loans to Association. No loans shall be contracted on behalf of the Association and no evidence of indebtedness shall be issued in its name unless authorized by as resolution of the Board. Such authority may be general or confined to specific instances.

Section 7.5 Indemnification of Directors, Officers, and Employees. The following provisions shall be applicable to the Association's indemnification of each Director, officer, or employee (and former Director, officer, or employee) of the Association (an "Indemnitee"):

(a) Indemnification Standard. The indemnification provided by this Section 7.5 shall be allowed only if it is determined by the Board that an Indemnitee (i) conducted himself or herself in good faith, (ii) reasonably believed, in the case of conduct in his or her official capacity as a director, officer or employee, that his or her conduct was in the Association's best interest, and, in all other cases, that his or her conduct was at least not opposed to the Association's best interests, and (iii) in the case of any criminal proceeding, had no reasonable cause to believe that his or her conduct was unlawful.

(b) General Indemnification Provisions. Subject to the provisions of paragraph (c), below, each Indemnitee shall be fully indemnified by the Association to the extent permitted by the Texas Non-Profit Corporation Act, or other applicable law or statute of the State of Texas, under the circumstances in which indemnification is permitted by said Act or said statute against liabilities imposed upon the Indemnitee and expenses and costs, including attorneys' and other professional fees and court costs, actually and necessarily incurred by an Indemnitee in connection with (i) any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, arbitative, or investigative (collectively referred to herein as an "Action"), (ii) any appeal in such an Action, and (iii) any inquiry or investigation that could lead to such an Action, to which an Indemnitee is, was or is threatened to be made a named defendant or respondent in an Action or a party by reason of such Indemnitee being, or having been a Director, officer, or employee of the Association.

(c) Prohibited Indemnification Actions. The Association shall not indemnify an Indemnitee on account of any Action if (i) the Indemnitee is or was found liable on the basis that personal benefits were improperly received, (ii) the Indemnitee is or was found liable to the Association, or (iii) the Indemnitee is or was found to have exercised bad faith or committed an illegal or criminal act.

(d) Advancement of Costs and Expenses. Reasonable expenses and costs incurred by an Indemnitee may be paid or reimbursed by the Association in advance of the final disposition of the Action, if the Board receives a written sworn affirmation from the Indemnitee that (i) his or her standard of conduct as provided in paragraph (a), above, has been met, (ii) that he or she agrees to repay such amounts if it is ultimately determined that such standards were not met or such indemnification is precluded by these Bylaws, or other applicable federal or state laws, and (iii) the advancement or reimbursement is approved by the Board as provided in these Bylaws.

Section 7.6 Liability Insurance. The Association shall have the power to purchase and maintain (in its sole discretion) insurance on behalf of any person who is or was a Director, officer, employee or agent of the Association or is or was serving at the request of the Association as a Director, officer, partner, venturer, proprietor, employee, agent, or similar functionary of another Association, partnership, joint venture, trust, employee beneficiary plan or other enterprise, against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether the Association would have the power to indemnify him or her against such liability under the provisions of these Bylaws or the Texas Non-Profit Corporation Act.

Section 7.7 Dissolution of Association. Upon the dissolution of the Association, the Board shall, after paying or making provisions for the payment of all of the liabilities of the Association, distribute all of the assets of the Association only for tax exempt purposes to one or more organizations which are exempt under Section 501(c)(3) of the Internal Revenue Code, or its successor statute, as determined by the Board of Directors.

Section 7.8. Checks, Drafts, and Deposits. All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Association shall be signed by such officer(s) or agent(s) of the Association and in such manner as from time to time may be determined by resolution of the Board. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such depositories as the Board by resolution may select.

Section 7.9 Books and Records. The Association shall maintain current true and accurate financial records with full and correct entries, and the Association shall keep minutes of the proceedings of the Board and Committees.

Section 7.10 Resignations. Any Director, officer, or agent may resign by giving written notice to the President or the Secretary. Such resignation shall take place at such time specified therein or immediately if no time is specified therein. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to render the resignation effective.

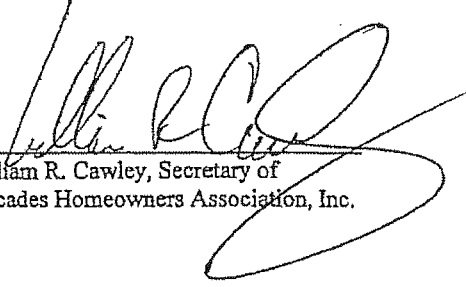
Section 7.11 Construction of Bylaws. These Bylaws shall be construed in accordance with the laws of the State of Texas. All reference in these Bylaws to statutes, regulations, or other sources of legal authority shall refer to the authorities cited, or their successors, as they may be amended

from time to time. If any part of these Bylaws shall be held invalid or inoperative for any reason, then, so far as possible and reasonable, the remaining part(s) shall be valid and operative, and effect shall be given so far as possible to the intent manifested by the part held invalid or inoperative. The headings or other means of delineation used in these Bylaws have been inserted for administrative convenience only and do not constitute matter to be construed in interpretation and construction.

**CERTIFICATE OF SECRETARY**

I certify that I am the duly elected and acting Secretary of the Association and that the foregoing Bylaws constitute the Bylaws of the Association. These Bylaws were duly adopted by the Board of Directors by Unanimous Consent in Lieu of Organizational Meeting on February 10, 2004.

DATED: February 10, 2004.



William R. Cawley, Secretary of  
Cascades Homeowners Association, Inc.



# **COVENANTS, CONDITIONS & RESTRICTIONS**

Filed for Record in:  
SMITH COUNTY, TEXAS  
JUDY CARNES, COUNTY CLERK  
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DECLARATION<sup>126</sup>  
OF  
COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
CASCADES

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DECLARATION  
OF  
COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
CASCADES

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CASCADES is made effective as of the 20th day of February, 2004, by CASCADE PROPERTIES, LTD., a Texas limited partnership ("Declarant"), whose address is 2611 Cascades Golf Club Drive, Tyler, Texas 75709.

RECITALS:

WHEREAS, Declarant is the owner and developer of certain real property located in Smith County, Texas more particularly described on Exhibit "A" attached hereto and made a part hereof for all purposes (the "Property");

WHEREAS, Declarant desires to place certain covenants, conditions and restrictions upon the Property in order to establish a uniform plan for the development, improvement and sale of the Property and all additional property which may hereafter be added and/or subjected to the provisions of this Declaration, and to insure the preservation of such uniform plan for the benefit of both the present and future owners of the Property and all additional property which may hereafter be added and/or subjected to the provisions of this Declaration;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledges, Declarant hereby declares that the Property is and shall be owned, held, mortgaged, transferred, sold, conveyed and occupied subject to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth.

ARTICLE I

DEFINITIONS

The following words, when used in this Declaration or in any amended or supplementary Declaration (unless the context shall otherwise clearly indicate or prohibit), shall have the following respective meanings:

Section 1.1 "Amended Declaration" shall mean and refer to each and every instrument recorded in the Records which amends, supplements, modifies, clarifies or restates some or all of the terms and provisions of this Declaration.

Section 1.2 "Annual Assessment" shall have the meaning specified in Section 5.6 of this Declaration.

Section 1.3 "Articles" shall mean shall mean and refer to the Articles of Incorporation of the Association, attached hereto as Exhibit "B" and made a part hereof for all purposes, which

Articles have been filed with the Secretary of State of the State of Texas, as amended from time to time.

Section 1.4 "Assessment" or "Assessments" shall mean and refer individually or collectively to the Annual Assessments, the Special Assessments, the Individual Assessments, and the Subdivision Assessments, where the context requires.

Section 1.5 "Assessment Lien" shall mean and refer to the liens described in Article V of this Declaration.

Section 1.6 "Association" shall mean and refer to Cascades Homeowners Association, Inc., a Texas non-profit corporation, its successors and assigns, which shall have the power, duty and responsibility of maintaining and administering certain portions of the Property and all of the Common Property, administering and enforcing the Covenants and otherwise maintaining and enhancing the quality of life within the Property.

Section 1.7 "Board of Directors" or "Board" shall mean and refer to the Board of Directors of the Association.

Section 1.8 "Builder" shall mean any Person that purchases one or more Lots within the Property for the purpose of constructing Structures or Improvements thereon for later sale to consumers, or who purchases one or more parcels of land within the Property for further subdivision, development or resale in the ordinary course of such Person's business.

Section 1.9 "Building Area" shall mean the area within a Lot delineating the boundaries within which all Structures and Improvements may be located, subject to the prior written approval of the Design Review Committee.

Section 1.10 "Bylaws" shall mean and refer to the Bylaws of the Association, attached hereto as Exhibit "C" and made a part hereof for all purposes, as amended from time to time.

Section 1.11 "Certificate of Occupancy" shall refer to a certificate or other similar document issued by the City, County or other applicable governmental authority certifying or authorizing a Structure for occupancy for its intended use.

Section 1.12 "Charges" shall mean and refer to charges imposed against an Owner delinquent in the payment of Assessments or the performance of obligations under this Declaration.

Section 1.13 "City" shall mean and refer to the City of Tyler, Texas.

Section 1.14 "Class A Member" shall mean each Owner (during the Development Period, other than Declarant) of a Lot.

Section 1.15 "Class B Member" shall mean the Declarant.

Section 1.16 "Club" shall mean the golf course, restaurant and club house facility located in Smith County, Texas which is operated as the Cascades Golf Club (as such name may be amended

from time to time), together with all of the recreational and social facilities constructed thereon, including, without limitation, the golf course, golf clubhouse, golf practice facilities, tennis courts and swimming pool. The Club is not part of the Common Property.

Section 1.17 "Club Owner" shall mean the owner, from time to time, of the Club.

Section 1.18 "Club Membership" shall mean a membership in the Club, at any level, as offered by the Club.

Section 1.19 "Club Property Easement" shall refer to that certain non-exclusive perpetual easement created in Section 11.3 for pedestrian and vehicular ingress and egress that provides access to and from adjacent public rights-of-way and the Club Property over and across the Private Streets.

Section 1.20 "Cluster Housing" shall include, by way of illustration, townhouse units, patio or zero lot line homes and other individual attached or detached single family residential dwelling units that are to be sold in fee simple under a separate lot/block designation.

Section 1.21 "Commercial Parcel" shall mean a portion of the Property which has been designated as a Commercial Parcel by Declarant on any instrument executed and recorded by Declarant in the Records.

Section 1.22 "Commercial Use" shall mean and refer to any governmental, professional, office, hotel, motel, business, commercial, retail, restaurant, financial, banking, insurance, research and development and medical uses, and any other uses designated as a "Commercial Use" by Declarant on any instrument executed and recorded by Declarant in the Records.

Section 1.23 "Common Expenses" shall mean the actual and estimated expenses incurred, or anticipated to be incurred, by the Association for the general benefit of all Owners, including any reserve as the Board may find to be necessary and appropriate pursuant to the Governing Documents.

Section 1.24 "Common Property" shall mean (a) those portions, if any, of the Property shown upon any Plat of the Property, or any part thereof, that are shown or designated as "Common Property", "Common Area" or by similar designation (reserving, however, unto Declarant the right to replat any of such areas as part of one (1) or more Lots), other than portions of the Property that are dedicated to the public, together with any and all Structures and Improvements constructed or to be constructed thereon; (b) such portions, if any, of the Property as are hereafter declared to be "Common Property", "Common Area" or similar designation by an instrument executed and recorded by Declarant or the Association in the Records, whether or not such areas comprise part or all of a Lot shown upon any Plat of the Property, together with any and all Structures and Improvements constructed or to be constructed thereon; (c) any other real property or improvements now or hereafter within or in the vicinity of the Property which Declarant and/or the Association have or may hereafter become obligated to maintain, improve or preserve; (d) any other real property or improvements, or interest therein, now or hereafter owned by the Association for the common use, enjoyment and benefit of the Owners, including, without limitation, any community recreational facility now or hereafter constructed within or in the vicinity of the Property and the Pier Improvements; and (e) the Private Streets, if any.



Section 1.25 "Condominium Parcel" shall mean a parcel of real property within the Property subjected to a condominium regime pursuant to the Texas Condominium Act, as the same may be amended or supplemented from time to time, improved with one or more structures.

Section 1.26 "Condominium Unit" shall mean a residential dwelling unit constructed on a Condominium Parcel, together with its undivided interest in and to the common elements of such condominium.

Section 1.27 "County" shall mean Smith County, Texas.

Section 1.28 "Covenants" shall mean all covenants, conditions, restrictions, easements, charges and liens set forth within this Declaration, any Amended Declaration or any Supplemental Declaration.

Section 1.29 "Declarant" shall mean Cascade Properties, Ltd., a Texas limited partnership, and any Person to whom Cascade Properties, Ltd. assigns, by specific reference, all of its rights under this Declaration; provided however, no Person merely purchasing one or more Lots from Cascade Properties, Ltd. or its successor or assigns shall be considered a "Declarant."

Section 1.30 "Declaration" shall mean this instrument entitled "Declaration of Covenants, Conditions and Restrictions for Cascades," together with any and all amendments or supplements hereto.

Section 1.31 "Deed" shall mean any deed, assignment, testamentary bequest, muniment of title or other instrument, or intestate inheritance and succession, conveying or transferring fee simple title or a leasehold interest or another legally recognized estate in a Lot.

Section 1.32 "Design Guidelines" shall mean those particular standards, restrictions, guidelines, recommendations and specifications applicable to most of the aspects of construction, placement, location, alteration, maintenance and design of any Structures or Improvements to or within the Property or portions thereof, and all amendments, bulletins, modifications, supplements and interpretations thereof. The initial Design Guidelines applicable to Estate Lots, Lake Front Lots, Lake View Lots and Golf Course Lots, as described therein, are attached hereto as Exhibit "D" and made a part hereof for all purposes.

Section 1.33 "Design Review Committee" shall mean the Design Review Committee from time to time appointed or selected pursuant to Article VI of this Declaration.

Section 1.34 "Development Period" shall mean a period commencing on the date of the recording of this Declaration in the Records and continuing thereafter until and ending on the earlier of (a) December 31, 2029, or (b) the date the Declarant voluntarily terminates its Class B Member status by recording a written notice of such termination in the Records.

Section 1.35 "Director" shall mean and refer to any duly elected member of the Board.

Section 1.36 "Exempt Property" shall mean and refer to the following portions of the Property: (a) all land, Structures and Improvements owned by the United States of America, the State

of Texas, the City, the County or any instrumentality, political subdivision or agency of any such governmental entity acting in a governmental (rather than a proprietary) capacity; (b) all land, Structures and Improvements owned (including legal and beneficial ownership, whether now or in the future) by the Association or any Subdivision Association or constituting a portion of the Common Property; (c) all land, Structures and Improvements which are exempt from the payment of ad valorem real property taxes by Taxing Authorities and are exempt from the payment of any assessments hereunder as expressly determined by written resolution of the Declarant and/or the Board; (d) such other land, Structures and/or Improvements and/or Lots which are specifically exempted from the payment of Annual Assessments in accordance with a special resolution of the Board; and (e) until the expiration of the Development Period, all Lots owned by Declarant.

Section 1.37 "Fiscal Year" shall mean each twelve (12) month period commencing on January 1 and ending on the following December 31, unless the Board shall otherwise select an alternative twelve (12) month period.

Section 1.38 "Governing Documents" shall refer to this Declaration, the Articles, the Bylaws, the Design Guidelines, and any rules and regulations promulgated thereunder.

Section 1.39 "Improvement" shall mean any physical change to raw land or to an existing Structure which alters the physical appearance, characteristics or properties of the land or Structure, including, but not limited to, landscaping, the new construction of a Structure or Structures and related amenities, adding or removing square footage area or space to or from a Structure, painting or repainting a Structure, or in any way altering the size, shape or physical appearance of any Structure or any building or other improvement, temporary or permanent, located on any Lot, and will include, without limitation: (a) any swimming pool, play apparatus, clothesline, fence, curbing, paving, wall or hedge, signboard or other temporary or permanent improvement to any Lot; (b) any excavation, fill, ditch, diversion dam or other thing or device which affects or alters the flow of any waters in any natural or artificial stream, wash or drainage channel from, upon or across any Lot; (c) any enclosure or receptacle for the concealment, collection and/or disposition of refuse; and (d) any change in the grade of any Lot which involves a change of more than three (3) inches from the existing grade initially approved by the Design Review Committee.

Section 1.40 "Individual Assessments" shall mean the assessments that may be from time to time imposed upon an Owner in accordance with the provisions of Section 5.9 of this Declaration.

Section 1.41 "Institutional Mortgage" shall mean any bona-fide mortgage, lien or security interest held by a bank, trust company, insurance company, savings and loan association or other recognized lending institution, or by an institutional or governmental purchaser of mortgage loans in the secondary market.

Section 1.42 "Lake Front Lot" shall mean a Lot which abuts Bellwood Lake and is designated as a "Lake Front Lot" in any Deed, Plat or other recorded instrument executed by Declarant.

Section 1.43 "Limited Common Property" shall refer to a portion of the Common Property primarily benefitting one or more, but less than all, Owners or Subdivisions, as more particularly described in Article 3.8.

Section 1.44 "Lot" shall mean a portion of the Property, whether improved or unimproved, which is platted or set aside as a separate lot or parcel on any Plat or any document executed by the Declarant which is recorded in the Records. The term shall refer to the land, if any, that is part of the Lot, as well as any Structures or Improvements thereon. The term shall include within its meaning, by way of illustration but not limitation, a lot developed for Cluster Housing, a Condominium Parcel, a Commercial Parcel, a Multifamily Parcel and/or a Lot developed for single-family detached residences, as well as vacant land intended for development as such, but shall not include Common Property, Limited Common Property, or property dedicated to the public.

Section 1.45 "Managing Agent" shall mean and refer to any Person who has been designated or engaged by the Board to manage the affairs of the Association, to the extent the Board elects to make such designation.

Section 1.46 "Maximum Rate" shall mean the lesser of (a) the maximum rate of interest permitted to be charged from time to time for the use or forbearance of money by applicable law, or (b) eighteen per cent (18%) per annum.

Section 1.47 "Member" shall mean each Person subject to membership in the Association.

Section 1.48 "Multifamily Parcel" shall mean and refer to a parcel of real property within the Property, other than a parcel of real estate subjected to a condominium regime pursuant to the Texas Condominium Act, as the same may be amended or supplemented from time to time, improved with one or more structures, each of which contains two (2) or more residential dwelling units intended for occupancy by a single family and at least one (1) of which is held out for rent, rented or otherwise intended to be occupied by someone other than the Owner or the Owner's family and for which a Certificate of Occupancy has been issued. The term shall also refer to any duplex residential structure located within the Property, as such term may be defined from time to time in the relevant ordinances of the City.

Section 1.49 "Multifamily Unit" shall mean a residential dwelling unit constructed on a Multifamily Parcel.

Section 1.50 "Owner" shall mean and refer to the holder(s) of record title to the fee simple interest of any Lot whether or not such holder(s) actually reside(s) on any part of the Lot.

Section 1.51 "Person" shall mean an individual, partnership, joint venture, corporation, limited liability company, joint stock company, trust (including a business trust), unincorporated association or other entity, or a government or any political subdivision or agency thereof.

Section 1.52 "Pier Area" shall mean: (a) the portion of any Lake Front Lot which abuts Bellwood Lake adjacent to any Pier Improvements and extends into such Lake Front Lot a distance of twenty (20) feet from the boundary line of Bellwood Lake and a distance of ten (10) feet from the common boundary line of the Lake Front Lot which is adjacent to such Lot and Pier Improvements, all as designated by Declarant from time to time; and (b) the portion of Bellwood Lake adjacent to any Lake Front Lot on which any Pier Improvements are constructed by Declarant or the Association or with the consent of Declarant or the Association.

Section 1.53 "Pier Improvements" shall mean the pier and related Improvements constructed by Declarant or the Association or with the consent of Declarant or the Association in any Pier Area.

Section 1.54 "Plat" shall mean and refer to the final subdivision plat or plats of the Property, which have been approved by the City, County or other appropriate governmental authority and filed and recorded in the Records.

Section 1.55 "Private Streets" shall mean the right-of-way of all private streets, alleys and other private rights-of-way situated within the Property, if any, which are designated as "Private Streets" on any Plat or an instrument executed and recorded by Declarant or the Association in the Records, together with all pavement, curbs, street lights, signs and related facilities thereon. The term "Private Streets" shall not include any street, alley or right-of-way which has been dedicated to or are owned by the City, County or any other governmental authority.

Section 1.56 "Property" shall mean and refer to the tracts or parcels of real property more particularly described on Exhibit "A" attached hereto and made a part hereof for all purposes, together with all and singular all easements in or upon or benefitting the Property, and all other rights and appurtenances belonging or in anywise pertaining thereto, which Property is initially subjected to this Declaration, together with such additional property as is hereafter subjected to this Declaration in accordance with Article II.

Section 1.57 "Public Streets" shall mean the right-of-way of all streets, alleys and other rights-of-way situated within the Property which have been dedicated to or are owned by the City, County or any other governmental or quasi governmental authority or special district.

Section 1.58 "Records" shall mean the Land Records of Smith County, Texas including the Map and Plat Records of Smith County, Texas.

Section 1.59 "Residence" shall mean and refer to any Structure or portion of a Structure situated upon the Property, including Cluster Homes, Condominium Units, Multifamily Units and single family attached and detached housing, which is designed and intended for Residential Use.

Section 1.60 "Resident" shall mean and refer to:

- (a) each Owner of the fee simple title to any Lot; and
- (b) each Person residing within any Residence on a Lot who is a bona fide lessee; and
- (c) each individual residing in a Residence other than an Owner or bona fide lessee.

Section 1.61 "Residential Parcel" shall mean and refer to any a parcel of real property within the Property developed or intended to developed for a Residential Use, but will not include a Multifamily Parcel or a Condominium Parcel.

Section 1.62 "Residential Use" shall mean and refer to the use and/or occupancy for residential purposes as defined in and permitted by applicable requirements of the City.

Section 1.63 "Resolution" shall mean the Unanimous Consent in Lieu of Organizational Meeting of Cascades Homeowners Association, Inc., a copy of which is attached hereto as Exhibit "E" and made a part hereof for all purposes.

Section 1.64 "Special Assessments" shall mean and refer to assessments imposed upon the Owners for capital improvements or unusual or emergency matters, in accordance with the provisions of Section 5.7 of this Declaration.

Section 1.65 "Structure" shall mean and refer to building, parking facility or area, garage, porch, shed, greenhouse or bathhouse, cabana, covered patio, temporary or permanent living quarters or other above ground improvement on any Lot.

Section 1.66 "Subdivision" shall mean a group of Lots designated as a separate Subdivision under this Declaration. A Subdivision may be comprised of more than one housing type and may include noncontiguous parcels of property. Where the context permits or requires, the term Subdivision also shall refer to any Subdivision Association, if any, having concurrent jurisdiction over the property within the Subdivision. Subdivision boundaries may be established and modified as provided in Section 4.6.

Section 1.67 "Subdivision Assessments" shall mean assessments levied against the Lots in a particular Subdivision or Subdivisions to fund Subdivision Expenses, as described in Section 5.8.

Section 1.68 "Subdivision Association" shall mean an incorporated owners' association, if any, having concurrent jurisdiction (subject to this Declaration) with the Association over any Subdivision.

Section 1.69 "Subdivision Expenses" shall mean the actual and estimated expenses incurred, or anticipated to be incurred, by the Association for the general benefit of Owners of Lots within a particular Subdivision, as may be authorized by this Declaration or in the Supplemental Declaration(s) applicable to such Subdivision. Subdivision Expenses may include a reasonable reserve as the Board may find to be necessary and appropriate pursuant to the Governing Documents.

Section 1.70 "Subdivision Representative" shall mean the representative elected by the Class A Members within each Subdivision pursuant to Section 4.7 to cast the Class A Member votes attributable to their Lots on all matters requiring a vote of the Members (except as otherwise specifically provided in this Declaration and in the Bylaws). In the event a Subdivision Association has been created for a Subdivision, the Board of the Subdivision Association shall be deemed to be the Subdivision Representatives for that Subdivision.

Section 1.71 "Supplemental Declaration" shall mean an instrument recorded pursuant to Article II which subjects additional property to this Declaration, designates Subdivisions and/or imposes, expressly or by reference, additional restrictions and obligations on the land described therein.

Section 1.72 "Taxing Authorities" shall mean and refer to the County, the Tyler Independent School District, the City and the State of Texas and any and all other governmental entities or agencies which have, or may in the future have, the power and authority to impose and collect ad valorem taxes on real property estates, in accordance with the Texas Constitution and applicable statutes and codes.

Section 1.73 "Trustee" shall mean David M. Tatum, or any replacement Trustee hereinafter designated by Declarant, during the Development Period, or thereafter, by the Association.

## ARTICLE II

### PROPERTY SUBJECT TO THIS DECLARATION

Section 2.1 Existing Property. The real property which is, and shall be, held, transferred, sold, conveyed and occupied subject to this Declaration shall be the real property located within the Property.

Section 2.2 Annexation of Additional Land. Additional land may become subject to this Declaration, or the general scheme envisioned by this Declaration, as follows:

(a) The Declarant shall have the right (without the joinder or consent of any Person), prior to the expiration of the Development Period, to add or annex real property within a two (2) mile radius of the Property to the scheme of this Declaration by filing of record a Supplemental Declaration, which Supplemental Declaration extends the scheme of the Covenants to such real property; provided, however, such Supplemental Declaration may contain such additions to and modifications of these Covenants as Declarant may deem appropriate in connection therewith. Any such Supplemental Declaration shall not require the consent of any other Person, but shall require the consent of the owner of such real property, if other than Declarant. Nothing in this Declaration shall be construed to require Declarant or any successor to subject additional property to this Declaration or to develop any of the additional property in any manner whatsoever.

(b) In addition to and without limiting the provisions of Section 2.2 (a), additional real property may become subject to this Declaration, or the general scheme envisioned by this Declaration, with the consent of (i) Class A Members in good standing holding at least fifty-one percent (51%) of the votes entitled to be cast by Class A Members, (ii) during the Development Period, the Declarant, and (iii) the owner of such real property.

(c) Any additional real property made subject to this Declaration, or the general scheme envisioned by this Declaration pursuant to this Section 2.2, when made, shall automatically extend the jurisdiction, functions, duties and membership of the Association to the real property added and correspondingly subject the real property added to the provisions of the applicable Supplemental Declaration.

Section 2.3 Withdrawal of Property. Declarant shall have the right, prior to the expiration of the Development Period, to amend this Declaration for the purpose of removing from the provisions of the Declaration any portion of the Property. Such amendment shall not require the

consent of any Person other than the owner of the real property to be withdrawn, if such owner is not Declarant.

Section 2.4 Additional Covenants and Easements. Declarant may subject any portion of the Property to additional covenants and easements, including, without limitation, authorizing the levying of Subdivision Assessments against the Owners within such Subdivision. Such additional covenants and easements may be set forth in a Supplemental Declaration applicable to such real property. If the Declarant does not own such real property, then the written consent of the Owner of such real property shall be required. Any such Supplemental Declaration may supplement, create exceptions to, or otherwise modify the terms of this Declaration as it applies to such real property in order to reflect the different character and intended use of such real property. No Person shall record any declaration of covenants, conditions and restrictions or similar instrument affecting any portion of the Property without Declarant's prior written consent. Any attempted recordation without compliance herewith shall result in such instrument being void and of no force and effect unless subsequent approved by the Declarant by a written consent recorded in the Records.

### ARTICLE III

#### RIGHTS OF ENJOYMENT IN THE COMMON PROPERTY

##### Section 3.1 Easements.

(a) Subject to the provisions of this Declaration:

(i) each and every Owner and Resident of a Lot in good standing with the Association shall have a non-transferable, non-exclusive right and easement of enjoyment in and to the Common Property (expressly excluding the Pier Area and the Limited Common Property unless otherwise provided herein), for so long as (i) any such Owner, Resident and the Lot owned by such Owner or in which such Resident resides is not in violation of any portion of these Covenants, the Design Guidelines applicable to the Owner, Resident or Lot, or any rule or regulation promulgated by the Board, and (ii) all Assessments or Charges assessed against the Lot levied, payable or collectible pursuant to the provisions of these Covenants, the Bylaws or any rule or regulation promulgated by the Board have been fully and timely paid; and

(ii) each and every Owner and Resident of a Lake Front Lot (but not any other Owner) in good standing with the Association shall have a non-transferable, non-exclusive easement and right to use the Pier Area and Pier Improvements on or adjacent to such Owner's or Resident's Lot, for so long as (i) any such Owner, Resident and the Lot owned by such Owner or in which such Resident resides is not in violation of any portion of these Covenants, the Design Guidelines applicable to the Owner, Resident or Lot, or any rule or regulation promulgated by the Board, and (ii) all Assessments or Charges assessed against the Lot levied, payable or collectible pursuant to the provisions of these Covenants, the Bylaws or any rule or regulation promulgated by the Board have been fully and timely paid. No Owner or Resident may erect, place or alter a Structure within any Pier Area or make any Improvement

to any Pier Area or Pier Improvements without the prior approval of the Design Review Committee in accordance with this Declaration. Each Owner and Resident agrees to repair any damage caused to the Pier Improvements and/or Pier Area by such Owner, Resident and/or its invitees. Nothing shall be done or permitted within the Pier Area and/or in connection with the use of the Pier Improvements which would constitute a threat or hazard to the health and safety of any Owner or Resident, or which damages the Pier Improvements or any other Improvements. Any damage to a Lot caused by any Owner or Resident in the exercise of the easement rights granted in this Section shall be restored at the Owner's or Resident's expense to at least the same condition as existed prior to such damage.

(b) The Declarant reserves the right to use, during the Development Period, portions of the Common Property for business matters directly and indirectly related to the Property.

(c) One or more portions of the Common Property may from time to time be reasonably limited to private functions for use of Owners and Residents and their guests and invitees with the prior approval of the Association.

(d) The Declarant shall be entitled to convey record title to some or all of the Common Property to the Association if, as and when deemed appropriate by the Declarant or as may be required by governmental authorities, and the Declarant shall at all times have and retain the right to effect minor redesigns or minor reconfiguration of the Common Property, to execute any open space declarations applicable to the Common Property which may be permitted in order to reduce property taxes, and to take whatever steps may be appropriate to lawfully avoid or minimize the imposition of ad valorem taxes by the Taxing Authorities.

(e) The easements described herein shall not confer upon any Owner or Resident the right to make any Improvement to the Common Property.

(f) Any Owner or Resident may extend such Owner's or such Resident's right of use and enjoyment to the members of his or her family and social invitees, subject to any rule or regulation established by the Board and in accordance with procedures the Board may adopt.

Section 3.2 Extent of Easements. The easements created hereby with respect to the Common Property shall be subject to the following:

(a) The right of the Declarant or Association to prescribe reasonable regulations and policies governing, and to charge fees and/or deposits (e.g., key and access card deposits) related to, the use, operation and maintenance of the Common Property;

(b) Liens or mortgages placed against all or any portion of the Common Property with respect to monies borrowed by the Association to improve or maintain the Common Property;



(c) The right of the Association to perform its obligations under this Declaration and to enter into and execute contracts with any party (including, without limitation, the Declarant or its affiliates) for the purpose of providing management, maintenance or such other materials or services consistent with the purposes of the Association and/or this Declaration;

(d) The right of the Declarant or the Association to take such steps as are reasonably necessary to protect the Common Property against foreclosure;

(e) The right of the Declarant or the Association to suspend the voting rights of any Member and to suspend the right of any Owner or Resident to use or enjoy any of the Common Property for any period during which any Assessment (including, without limitation, "fines") against a Lot owned by such Owner or in which such Resident resides remains unpaid, or during which non-compliance with this Declaration or the Design Guidelines applicable to the Lot in question exists, and otherwise for any period deemed reasonable by the Association for an infraction of the then-existing rules and regulations;

(f) The right of the Declarant and/or the Association to dedicate or transfer all or any part of the Common Property to any municipal corporation, public agency, governmental authority, or utility for such purposes and upon such conditions as may be agreed to by the Declarant or the Board, including the right of the Declarant or the Association to enter into and execute contracts with the owner-operators of any utility system or other similar operations for the purpose of extending utility service on, over or under the Common Property to ultimately provide service to one or more of the Lots or to adjacent properties which are not owned by the Declarant;

(g) The right of the Declarant and/or the Association to grant permits, licenses and easements over the Common Property for utilities and other purposes necessary for the proper development of the Property or for any other reason deemed prudent by the Board;

(h) The right of the Declarant and/or the Association to permit use of any recreational facilities situated on the Common Property by persons other than Owners and Residents, whether or not upon payment of reasonable user fees established by the Board;

(i) The rights and benefits granted to residents of the City to use certain components of the Common Property;

(j) The rights and benefits granted pursuant to the Club Easement; and

(k) The rights of the City and/or County granted pursuant to the Plat.

Section 3.3 Restricted Actions by Owners and Residents. No Owner or Resident shall permit anything to be done on or in the Common Property which would violate any applicable public law or the Plat or which would result in the cancellation of or the increase of premiums for any insurance carried by the Association, or which would be in violation of any law or any rule or regulation promulgated by the Board.

Section 3.4 Damage to the Common Property. Each Owner and Resident shall be liable to the Association for any damage to any portion of the Common Property caused by the negligence or willful misconduct of the Owner or Resident or such Owner's or Resident's family, guests, invitees or employees.

Section 3.5 Rules of the Board. All Owners and Residents shall abide by any rules and regulations adopted by the Board. The Board shall have the power to enforce compliance with the rules and regulations established from time to time by the Board by all appropriate legal and equitable remedies, including, without limitation, the imposition of fines, and an Owner or Resident determined to have violated the Board's rules and regulations shall be liable to the Association for all damages and costs incurred by the Association as a result of such violation or in regard to the enforcement thereof, including reasonable attorneys' fees.

Section 3.6 Use of Common Property. The Board shall have the power and authority to prescribe rules and regulations which extend to and cover matters such as (but not limited to) smoking, the possession and consumption of alcoholic beverages, loud and obnoxious noises and behavior, dress and attire and the supervision by attending adults of children. No Person (excluding the Declarant) shall use any portion of the Common Property to (a) solicit, promote or conduct business, religious, political or propaganda matters, or (b) distribute handbills, newsletters, flyers, circulars or other printed materials, without the prior written consent of the Board (which consent may be withheld in its sole and absolute discretion).

Section 3.7 User Fees and Charges. The Board may levy and collect charges, user fees and other fees for the operation and maintenance of the Common Property and services which the Board determines to be necessary for the advancement, benefit and welfare of the Owners and Residents. In establishing user fees, the Board may formulate reasonable classifications of users. Such fees must be uniform within such classifications but need not be uniform throughout the classifications. If an Owner or Resident shall fail to pay a Charge when due and payable, the unpaid Charge shall be delinquent and upon written notice to the Owner or Resident shall become a personal debt of the Owner or Resident in question. Failure of any Owner or Resident to pay the Charge when due and payable, in addition, shall be a breach of these Covenants and shall result in suspension of the Owner's or Resident's rights or privileges with respect to the use of the Common Property.

Section 3.8 Limited Common Property.

(a) Certain portions of the Common Property may be designated by Declarant or the Association as Limited Common Property and reserved for the exclusive right, easement and privilege of enjoyment of Owners and Residents of Lots within a particular Subdivision or Subdivisions. By way of illustration and not limitation, a Limited Common Property may include recreational facilities, entry features, landscaped medians and cul-de-sacs, lakes and other portions of the Common Property within a particular Subdivision or Subdivisions. All costs associated with maintenance, repair, replacement and insurance of a Limited Common Property shall be assessed as a Subdivision Assessment against the Owners of Lots in those Subdivisions to which the Limited Common Property is assigned.

(b) Initially, any Limited Common Property shall be designated as such and the exclusive use thereof shall be assigned in this Declaration, the deed by which the Declarant

conveys the Common Property to the Association, the Plat relating to such Common Property or on such other instrument recorded in the Records deemed appropriate by the Declarant; provided, however, any such assignment shall not preclude the Declarant from later assigning the use of the same Limited Common Property to additional Lots and/or Subdivisions or from reassigning Limited Common Property as Common Property, so long as the Declarant has a right to subject additional real property to this Declaration pursuant to Article II. Without limiting the rights of Declarant set forth in the preceding sentence, the Association may assign a portion of the Common Property as Limited Common Property or a portion of the Limited Common Property as Common Property, upon approval of the Board and the consent of (i) Class A Members in good standing holding at least fifty-one percent (51%) of the votes entitled to be cast by Class A Members, including such approval of Class A Members in good standing within the Subdivision(s) affected by such assignment and/or reassignment, and (ii) during the Development Period, the Declarant. The Declarant (without approval of any Person) and the Association (upon approval of the Board and the consent of (i) Class A Members in good standing holding at least fifty-one percent (51%) of the votes entitled to be cast by Class A Members of the Subdivision(s) to which Limited Common Property is assigned, and (ii) during the Development Period, the Declarant), may permit Owners and Residents of Lots in other Subdivisions to use all or portions of such Limited Common Property and may require the payment of reasonable user fees, which fees shall be used to offset the Subdivision Expenses attributable to such Limited Common Property.

#### ARTICLE IV

##### MEMBERSHIP: VOTING RIGHTS IN THE ASSOCIATION

###### Section 4.1 Membership.

(a) Each and every Owner of each and every Lot shall automatically be, and must at all times remain, a Member of the Association in good standing. Membership of an Owner in the Association shall be appurtenant to and may not be separated from the interest of such Owner in and to any portion of a Lot. Ownership of any Lot shall be the sole qualification for being a Member; however a Member's rights and privileges may be regulated or suspended as provided in this Declaration, the Bylaws or the rules and regulations promulgated by the Board. Any Person who holds an interest in and to all or any part of a Lot merely as security for the performance of an obligation shall not be a Member.

(b) During the Development Period, the Association shall have two (2) classes of Members, the Class A Members and the Class B Member. The Class A Members shall include all Owners (other than the Declarant) of Lots. The Class B Member shall be the Declarant.

(c) From and after the expiration of the Development Period, the Class B membership shall terminate, and thereafter the Association shall have one (1) class of Members, the Class A Members, which class shall include all Owners (including Declarant) of Lots.

Section 4.2 Transfers. The membership of an Owner may not be severed from or in any way transferred, pledged, mortgaged or alienated except upon the sale or assignment of such Owner's interest in all or any part of such Owner's Lot and then only to the purchaser or assignee as the new Owner of the Lot in question. Each Owner shall notify the Association of any transfer or assignment of the fee title to such Owner's Lot. Such transfer shall automatically operate to transfer the membership to the new Owner thereof.

Section 4.3 Voting Rights.

(a) During the Development Period, the Class A Members in good standing and the Class B Member shall constitute the voting Members of the Association. The voting rights of the Class A Members and the Class B Member shall be as follows:

(i) Class A Members.

[a] Residential Parcels. The Class A Members with respect to each Lot within a Residential Parcel shall be entitled to cast one (1) vote for each Lot owned by each such Class A Member, subject to the provisions of Section 4.5; provided, however, until acquisition of record title to a Lot by the first Class A Member thereof other than a Builder, the Owner of such Lot shall be entitled to only one-half (1/2) of the vote allocated to such Lot.

[b] Condominium Parcels, Commercial Parcels and Multifamily Parcels. The number of votes which may be cast by Class A Members with respect to Lots which are Condominium Parcels, Commercial Parcels and Multifamily Parcels shall be one (1) vote for each 1,000 square feet of land area contained within such Condominium Parcel, Commercial Parcel or Multifamily Parcel, rounded to the nearest square foot.

[c] Multiple Owners. Where more than one (1) Class A Member owns and holds a record fee interest in a Lot, such Class A Members may divide and cast portions of the vote as they decide, but in no event shall any one (1) Lot owned by a Class A Member(s) yield more than the specified vote.

(ii) Class B Member. The Class B Member shall be entitled to cast 750 votes for each Lot within a Residential Parcel owned by the Class B Member and with respect to Lots owned by the Class B Member which are Condominium Parcels, Commercial Parcels and Multifamily Parcels, shall be entitled to cast one (1) vote for each 100 square feet of land contained within such Condominium Parcel, Commercial Parcel or Multifamily Parcel, rounded to the nearest square foot.

(b) Following the Development Period, the Class A Members in good standing shall constitute the voting Members of the Association, as follows:

(i) Residential Parcels. The Class A Members with respect to each Lot within a Residential Parcel shall be entitled to cast one (1) vote for each Lot owned

by each such Class A Member, subject to the provisions of Section 4.5; provided, however, until acquisition of record title to a Lot by the first Class A Member thereof other than a Builder, the Owner of such Lot shall be entitled to only one-half (½) of the vote allocated to such Lot.

(ii) Condominium Parcels, Commercial Parcels and Multifamily Parcels. The number of votes which may be cast by Class A Members with respect to Lots which are Condominium Parcels, Commercial Parcels and Multifamily Parcels shall be one (1) vote for each 1,000 square feet of land area contained within such Condominium Parcel, Commercial Parcel or Multifamily Parcel, rounded to the nearest square foot.

(iii) Multiple Owners. Where more than one (1) Class A Member owns and holds a record fee interest in a Lot, such Class A Members may divide and cast portions of the vote as they decide, but in no event shall any one (1) Lot owned by a Class A Member(s) yield more than the specified vote.

(c) Any Owner or Class A Member shall not be in "good standing" if such Person is: (i) in violation of any portion of these Covenants, the Design Guidelines applicable to such Owner's Lot, or any rule or regulation promulgated by the Board; or (ii) delinquent in the full, complete and timely payment of any Assessments or Charge which is levied, payable or collectible pursuant to the provisions of these Covenants, the Bylaws or any rule or regulation promulgated by the Board. The voting rights of any Class A Member who is not in good standing may be suspended by the Board for any period during which such Class A Member remains not in good standing.

(d) The Board may make such rules and regulations, consistent with the terms of this Declaration and the Bylaws, as it deems advisable, for: (i) any meeting of Subdivision Representatives or Members; (ii) proof of membership in the Association; (iii) the status of good standing; (iv) evidence of right to vote; (v) the appointment and duties of examiners and inspectors of votes; (vi) the procedures for actual voting in person or by proxy; (vii) registration of Subdivision Representatives and/or Members for voting purposes; and (viii) such other matters concerning the conduct of meetings and voting as the Board shall deem fit.

Section 4.4 Notice: Voting Procedures; Meetings. Quorum, notice, voting and meeting requirements and procedures of and pertaining to the Association may be set forth within the Articles and Bylaws, as either or both may be amended from time to time, and shall be in accordance with permitted Texas law.

Section 4.5 Exercise of Voting Rights With Respect to Subdivision. Until the first election of the Subdivision Representative(s) for a particular Subdivision as provided in Section 4.7, each Class A Member within such Subdivision shall be entitled personally to exercise the vote, consent or approval for such Owner's Lot on any issue requiring a membership vote, consent or approval under the Governing Documents. Thereafter, the vote, consent or approval of each Lot owned by a Class A Member shall be exercised by the Subdivision Representative(s) representing

the Subdivision. The Subdivision Representative(s) may cast all such votes, consents or approvals as he or she, in his or her discretion, deems appropriate.

#### Section 4.6 Subdivisions.

(a) In General. Every Lot shall be located within a Subdivision. Unless and until additional Subdivisions are established, the Property shall consist of a single Subdivision. The Lots within a particular Subdivision may be subject to covenants in addition to those set forth in this Declaration and, if required by law or otherwise approved by the Declarant, the Owners within a Subdivision may be members of a Subdivision Association in addition to the Association.

(b) Designation. Each Supplemental Declaration submitting additional property to this Declaration may assign the property submitted thereby to a specific Subdivision (by name or other identifying designation), which Subdivision may be then existing or newly created, as designated in the Supplemental Declaration. So long as it has the right to subject additional property to this Declaration pursuant to Article II, the Declarant may unilaterally amend this Declaration or any Supplemental Declaration to create new Subdivisions or redesignate Subdivision boundaries; provided, however, the Declarant shall not combine two or more Subdivisions without the consent of the Owners of a majority of Lots in each affected Subdivision.

(c) Request for Services. The Owners of a majority of the Lots within any Subdivision may request that the Association provide a higher level of service than that generally provided to all Subdivisions or may request special services or additional amenities or improvements such as entry features for the benefit of Lots in such Subdivision. Upon receipt of a written request by Owners representing a majority of the Lots within a Subdivision specifying the desired services, amenities or improvements, the Board may accept the request and provide the requested items. If provided, the cost of initial construction, maintenance, repair and replacement and otherwise providing for such services, amenities or improvements, which may include a reasonable administrative charge in such amount as the Board deems appropriate, shall be assessed against all of the Lots within such Subdivision as a Subdivision Assessment.

#### Section 4.7 Subdivision Representatives.

(a) Subdivision Elections. On or before January 31 of each year, the Board shall be entitled to call for the election of one or more Subdivision Representatives from each Subdivision in which a majority of the Lots in that Subdivision are owned by Class A Members other than Builders as of January 1 of the election year. Annual elections of the Subdivision Representative(s) shall be set by the Board so as to occur during the first quarter of the Association's fiscal year. At each such election, each Subdivision in which a majority of the Lots are owned by Class A Members other than Builders as of January 1 of the election year shall elect one or more Subdivision Representatives. In the event a Subdivision is governed by a Subdivision Association, the board of directors of the Subdivision Association in office at the time of the calling of the Subdivision election shall be deemed

to be the Subdivision Representatives for that Subdivision and no such Subdivision election shall be required.

(b) Qualification; Nomination. Each Subdivision Representative shall be a Member and must own a Lot in the Subdivision for which he or she has been elected. In the case of a Class A Member that is not a natural person, the Person designated in writing to the Secretary of the Association as the representative of such Member shall be eligible to serve as a Subdivision Representative. Candidates for election as a Subdivision Representative may be nominated by the Board, a nominating committee that the Board may appoint, by written request signed by the candidate indicating his or her acceptance of the nomination, or from the floor at a meeting, if any, at which an election is to be held.

(c) Election Procedures. The election of the Subdivision Representative(s) may be conducted either by written ballot cast by mail, computer or at a meeting of the Class A Members within such Subdivision, as the Board determines. Each Class A Member who owns a Lot within the Subdivision shall be entitled to cast the number of votes per Lot owned for each vacancy to be filled as provided under Section 4.7(d). The candidate(s) receiving the greatest number of votes shall be elected as the Subdivision Representative(s). Each Subdivision Representative shall serve a term of two (2) years or until his or her successor is elected and qualified. The Subdivision Representative(s) may be elected to serve any number of consecutive terms.

(d) Number. The Class A Members within a Subdivision may elect one Subdivision Representative for each 100 Lots within the Subdivision (rounded to the nearest 100). On all Association matters in which the Subdivision Representative(s) has the right to vote, each Subdivision Representative shall be entitled to cast that number of votes determined by dividing the total number of votes held by Class A Members in the Subdivision by the number of Subdivision Representatives elected from such Subdivision, except as otherwise specified in the Governing Documents. In the event that a Subdivision is governed by a Subdivision Association, the number of Subdivision Representatives shall be equal to the number of directors serving on the board of directors for the Subdivision Association. Each director of the Subdivision Association shall have the right to cast a pro rata share of the Class A votes attributable to that Subdivision.

(e) Meetings; Quorum. Except as otherwise provided by law, at any meeting of a Subdivision, the provisions of the Bylaws shall apply, except that the term "Subdivision Representative" as used in those Sections shall refer to the Class A Members within the Subdivision and references to votes in "the Association" shall refer to the Class A votes in the Subdivision. Except as otherwise provided by law, the presence, in person, by proxy or by written ballot, of Class A Members representing at least ten percent (10%) of the total Class A votes attributable to Lots in the Subdivision shall constitute a quorum at any Subdivision meeting. In the event of a failure to obtain a quorum in order to elect a Subdivision Representative, the Board may appoint a Subdivision Representative(s) to represent the Subdivision until a successor is elected.

(f) Removal; Vacancies. Any Subdivision Representative may be removed, with or without cause, upon the vote or written consent of Owners representing a majority of the

Class A votes in the Subdivision that the Subdivision Representative represents. In the event of the death, disability or resignation of a Subdivision Representative, a vacancy may be declared by the Board, and it may appoint a successor to serve for the remainder of the term of such representative; provided, however, that upon written petition of Class A Members entitled to cast at least ten percent (10%) of the total Class A votes in the Subdivision, the Board shall call a special meeting of the Subdivision for the purpose of electing a successor to fill any such vacancy for the remainder of the term. In the event that a Subdivision is governed by a Subdivision Association, vacancies on the board of directors of the Subdivision Association shall be filled in accordance with the provisions of the governing documents of the Subdivision Association.

(g) Powers and Duties. Subdivision Representatives shall have the right to notice of Board meetings and to attend such meetings as a representative of their respective Subdivisions; provided, however, no Subdivision Representative shall have a right to vote as a Board member, to participate in Board discussions or to attend executive sessions of the Board. Other than the right to exercise voting rights on behalf of Class A Members, a Subdivision Representative shall have no authority to take any action on behalf of the Board of the Owners of Lots in the Properties, except as specifically authorized by the Governing Documents or by the instruments governing the Subdivision Association, if any. The Subdivision Representative shall keep reasonably informed of decisions of the Board which affect matters relating to the Subdivision. At least once each year, the Subdivision Representative shall provide Owners within his or her Subdivision a written report of matters deemed by the Subdivision Representative to be of importance to such Owners, including actions taken by the Board which affect the Subdivision or the Properties in general. Failure to provide such a report, however, shall not affect the validity or enforceability of actions taken by the Board.

## ARTICLE V

### COVENANTS FOR ASSESSMENTS

Section 5.1 Creation of the Lien and Personal Obligation of Assessments. Each Owner of any Lot, by acceptance of a Deed therefor, whether or not reference to the Covenants shall be so expressed in any such Deed or other conveyance, shall be deemed to have covenanted and agreed (and such covenant and agreement shall be deemed to constitute a portion of the purchase money and consideration for acquisition of the Lot so as to have affected the purchase price) to pay to the Association (or to an independent entity or agency which may be designated by the Association to receive such monies):

- (a) Annual Assessments;
- (b) Special Assessments;
- (c) Subdivision Assessments; and
- (d) Individual Assessments.



The Annual, Special, Subdivision and Individual Assessments, together with such late charges, interest and costs of collection thereof as are hereinafter provided, shall be a charge running with the land and shall be a continuing lien upon each Lot against which each such Assessment is made and shall also be the continuing personal obligation of the then-existing Owner and Resident of such Lot at the time when the Assessment fell due. Each Owner of each Lot shall be directly liable and responsible to the Association for the acts, conduct and omission of each and every Resident, and their respective guests, invitees and employees, associated with the Residence or Structures located on such Owner's Lot.

Section 5.2 Purposes of Assessments: Maintenance of the Common Property. The Assessments levied by the Association shall be used for the purposes of promoting the comfort, health, recreation, safety, convenience, welfare and quality of life of the Members of the Association and in supplementing some services and facilities normally provided by or associated with governmental or quasi-governmental entities, and, otherwise, for the improvement and maintenance of the Common Property and other properties, services and facilities devoted and related to the use and enjoyment of the Common Property and operation of the Association, including, but not limited to or for: (a) the payment of taxes on the Common Property and insurance in connection with the Common Property; (b) the payment for utilities and the repair, replacement and additions of various items within the Common Property; (c) paying the cost of labor, equipment (including the expense of leasing any equipment) and materials required for, and management and supervision of, the Common Property; (d) carrying out the duties of the Board as set forth in Article VIII of this Declaration; (e) carrying out the other various matters set forth or envisioned herein or in any Amended Declaration or Supplemental Declaration related hereto; (f) repairing and maintaining the rights of way, public parks, paths and trails in the vicinity of the Property as required by the City or as designated by the Declarant or the Association; (g) the construction, maintenance, repair and/or replacement of Pier Improvements, and the payment of premiums for casualty and liability insurance with respect to the Pier Improvements; and (h) for any matter or thing designated by the City and/or County in connection with any zoning, subdivision, platting, building, development or occupancy requirements. The items and areas described above are not intended to be exhaustive but merely illustrative.

Section 5.3 Budget Deficits. To the extent that the amount of Annual Assessments required to be paid to the Association are insufficient to cover actual Common Expenses incurred by the Association, Declarant may, at its sole discretion, loan to the Association an amount equal to any excess actual Common Expenses, which amount, together with interest at a floating rate per annum equal to the highest prime rate published by *The Wall Street Journal* plus two percent (2%), shall be repaid by the Association to Declarant upon demand.

Section 5.4 Capitalization Fee. In addition to Annual Assessments, Special Assessments, Subdivision Assessments and Individual Assessments, each Owner of a Lot within the Property (other than a Builder) who purchases a Lot either directly from the Declarant or from a Builder shall be obligated, at the time of the purchase of the Lot by such Owner and simultaneously therewith, to pay the Association the sum of Five Hundred and No/100 Dollars (\$500.00) as a one-time capitalization fee, which fee the Association shall allocate to Reserve Funds.

Section 5.5 Resale Certificate. In addition to Annual Assessments, Special Assessments, Subdivision Assessments and Individual Assessments, each Owner of a Lot shall be obligated, at the

time of the sale of the Lot by such Owner and simultaneously therewith or at such other time as specified by the Association, to pay the Association a reasonable fee as determined by the Association to prepare, assemble, copy and deliver the subdivision information and resale certificate (and any update thereto) required to be delivered by the Association pursuant to Chapter 207 of the Texas Property Code.

Section 5.6 Basis and Amount of Annual Assessments.

(a) The Annual Assessments shall be established and assessed in the following manner:

(i) The Annual Assessment shall be set at a level which is reasonably expected to produce the total income of the Association equal to the total budgeted Common Expenses, including reserves. At least sixty (60) days before the beginning of each Fiscal Year, the Board shall prepare a budget covering the estimated Common Expenses of the Association during the coming Fiscal Year. The Board shall send notice of the amount of the Annual Assessment to be levied for such Fiscal Year with respect to an Owner's Lot to each Owner at least thirty (30) days before the beginning of such Fiscal Year. The maximum amount of the initial Annual Assessment with respect to the 2004 Fiscal Year shall be as follows:

Commercial Parcel: The maximum amount of the initial Annual Assessment payable with respect to each Commercial Parcel shall be calculated on the basis of \$120.00 for each 1,000 square feet of air conditioned floor area developed on any Commercial Parcel, commencing as of the date on which the first certificate of occupancy is issued with respect to the project developed on such Commercial Parcel.

Condominium Parcel: The maximum amount of the initial Annual Assessment payable with respect to each Condominium Parcel shall be \$240.00 per year per Condominium Unit located on such Condominium Parcel, commencing as of the date on which the first certificate of occupancy is issued with respect to the project developed on such Condominium Parcel.

Multifamily Parcel: The maximum amount of the initial Annual Assessment payable with respect to each Multifamily Parcel shall be \$240.00 per year per Multifamily Unit located on such Multifamily Parcel, commencing as of the date on which the first certificate of occupancy is issued with respect to the project developed on such Multifamily Parcel.

Residential Parcel: The maximum amount of the initial Annual Assessment payable with respect to each Lot located within a Residential Parcel shall be \$600.00 per year per Lot, commencing as of the date on which the Lot is first conveyed by Declarant to a third party.

The Annual Assessment may be an amount equal to or less than the maximum amount of the initial Annual Assessment as set forth above, as determined by the

Board. If the Annual Assessment as established by the Board is less than the maximum amount set forth above, any reduction shall be applied proportionately based upon the relative percentage decrease to Lots within Commercial Parcels, Condominium Parcels, Multifamily Parcels and Residential Parcels. For example, if the actual Annual Assessment payable with respect to Lots located in a Residential Parcel is lower than the maximum Annual Assessment with respect to Lots located in a Residential Parcel by twenty percent (20%), the actual Annual Assessment with respect to Lots located in Commercial Parcels, Condominium Parcels and Multifamily Parcels shall also be decreased by twenty percent (20%).

(ii) The Board may be permitted at any time during the term of this Declaration to increase the maximum Annual Assessment without a vote of the Members from Fiscal Year to Fiscal Year, but such adjustment shall not exceed an increase greater than twenty-five percent (25%) of the previous Fiscal Year's maximum Annual Assessment without the consent of the Class B Member during the Development Period and, thereafter, without the approval of Class A Members in good standing holding at least fifty-one percent (51%) of the votes entitled to be cast by Class A Members. Any increases in the maximum Annual Assessment shall be applied proportionately based upon the relative percentage increase to Lots within Commercial Parcels, Condominium Parcels, Multifamily Parcels and Residential Parcels. For example, if the maximum Annual Assessment payable with respect to Lots located in a Residential Parcel is increased by twenty percent (20%), the maximum Annual Assessment with respect to Lots located in Commercial Parcels, Condominium Parcels and Multifamily Parcels shall also be increased by twenty percent (20%).

(b) The Declarant may reduce the Annual Assessment for any Fiscal Year by payment of a subsidy, which subsidy may be either a contribution, an advance against future Assessments due from Declarant, or a loan, in the Declarant's absolute discretion. Any such subsidy shall be disclosed as a line item in the income portion of the budget. The payment of such subsidy in any year shall not otherwise obligate the Declarant to continue payment of such subsidy in future years, unless provided in a written agreement between Declarant and the Association.

**Section 5.7 Special Assessments.** The Association may levy in any Fiscal Year a Special Assessment, applicable to that Fiscal Year only, for the purpose of defraying, in whole or in part, costs incurred by the Association for the purposes set forth in Section 5.2, including, without limitation, the costs of any construction, reconstruction, repair or replacement of the Common Property or for any unusual or emergency purpose(s) (including, without limitation, those matters arising out of litigation and/or judgments). Any such Special Assessment may be levied against the entire membership in the same manner as Annual Assessments, if such Special Assessment is for Common Expenses, or against the Lots within any Subdivision, if such Special Assessment is for Subdivision Expenses. Prior to the expiration of the Development Period, any Special Assessment must have the affirmative vote of the Class B Member. From and after the expiration of the Development Period, any Special Assessment must have the affirmative approval of Class A Members in good standing (if a Common Expense) or Owners within the affected Subdivision(s) (if a Subdivision Expense) holding at least fifty-one percent (51%) of the votes entitled to be cast.

Except for Special Assessments for Subdivision Expenses, Special Assessments shall be allocated proportionately against each Lot by multiplying the Special Assessment by a fraction, the numerator of which is the amount of Annual Assessments payable by such Lot during the applicable Fiscal Year, and the denominator of which is the total amount of Annual Assessments payable by all Lots during the applicable Fiscal Year, both determined as of the date of the Special Assessment.

Section 5.8 Subdivision Assessments. The Association may levy and assess Subdivision Assessments. The Subdivision Assessments shall be established and assessed in the following manner:

(a) At least sixty (60) days before the beginning of each Fiscal Year, the Board shall prepare a separate budget covering the estimated Subdivision Expenses for each Subdivision on whose behalf Subdivision Expenses are expected to be incurred during the coming Fiscal Year. Each such budget shall include any costs for additional services or amenities or a higher level of services which have been approved by the Owners in such Subdivision and accepted by the Association pursuant to Section 4.6(c). Subdivision Expenses shall be allocated equally among all Lots within the Subdivision. The Board shall send notice of the amount of the Annual Assessment to be levied for such Fiscal Year to each Owner at least thirty (30) days before the beginning of such Fiscal Year.

(b) The Board may be permitted at any time during the term of this Declaration to increase the Subdivision Assessment for each Lot within a Subdivision without a vote of the Owners of Lots in the Subdivision from Fiscal Year to Fiscal Year, but such adjustment shall not exceed an increase greater than twenty-five percent (25%) of the previous Fiscal Year's Subdivision Assessment without the consent of the Class B Member during the Development Period and, thereafter, without the approval of Owners of at least fifty-one percent (51%) of the Lots in the Subdivision.

Section 5.9 Individual Assessments. The Association may, upon written notice to individual Lot Owners, levy and assess Individual Assessments, which will include fines, against individual Lot Owners to reimburse the Association for (i) extra or unusual costs incurred for items such as (but not limited to) (A) maintenance and repairs to portions of the Property required to be made as a result of the willful or negligent acts of the individual Owner or Resident, or (B) the remedy, cure or minimizing of problems caused by, or as a result of, violations of these Covenants by an Owner or Resident; (ii) costs incurred relating to or resulting from violations by individual Owners or Residents of rules and regulations pertaining to the Association and/or the Common Property; and (iii) the construction, maintenance, repair and/or replacement of Pier Improvements on or adjacent to the Lot owned by such Owner, and the costs of maintaining insurance in connection therewith. The Individual Assessments shall be due and payable in full within thirty (30) days after the date on which the applicable Owner has received notice that an Individual Assessment has been levied or assessed.

Section 5.10 Date of Commencement of Assessments: Due Dates. The obligation to pay Assessments shall commence as to each Lot as of the dates set forth in Section 5.6 above. The Assessments shall be prorated during any partial Fiscal Year. The Annual Assessment shall be due and payable in full in advance on the first day of each Fiscal Year and shall, if not paid within thirty (30) calendar days thereafter, automatically become delinquent; provided, however, with respect to

the initial Fiscal Year during which Assessments commence as to any Lot, the Annual Assessment shall be due and payable in full in advance within thirty (30) calendar days after the date Assessments commence on the Lot. The Board may prescribe (a) different procedures for collecting Assessments on a semi-annual, quarterly or monthly basis, (b) procedures for collecting advance Annual Assessments from new Owners, Members or Residents out of "closing transactions", and (c) different procedures for collecting Assessments from Owners who have had a recent history of being untimely in the payment of Assessments. Written notice of the applicable Assessment shall be furnished in a timely manner by the Board to every Owner by mail or personal delivery.

Section 5.11 Effect of Non-Payment of Assessment; the Personal Obligation of the Owner; the Lien in Respect to a Lot; Remedies of Association.

(a) Effective as of, and from and after, the filing and recordation of this Declaration, there shall exist a self-executing and continuing Assessment Lien and equitable charge on each Lot to secure the full and timely payment of each and all Assessments and all other Charges and monetary amounts and performance obligations due hereunder in respect to the Lot. Such lien shall be at all times superior to any claim of homestead by or in any Owner of a Lot. If any Assessment or Charge or other monetary amount or any part thereof is not paid by the Owner of a Lot on the date(s) when due, then the unpaid amount of the Assessment or Charge or other monetary amount shall (after the passage of any stated grace period) be considered delinquent and shall, together with any late charge and interest thereon at the Maximum Lawful Rate and costs of collection thereof, become a continuing debt secured by the self-executing Assessment Lien on the Lot of the non-paying Owner which shall bind such Lot in the hands of the Owner and Owner's heirs, executors, administrators, devisees, personal representatives, successors and assigns. The Association shall have the right to reject partial payments of an unpaid Assessment or other monetary obligation and demand the full payment thereof. The personal obligation of the then-existing Owner to pay such Assessment or other monetary obligation, however, shall remain the Owner's personal obligation and shall not pass to Owner's successors in title unless expressly assumed by them. However, the lien for unpaid Assessments or other monetary obligation shall be unaffected by any sale, conveyance or transfer of a Lot and shall continue in full force and effect.

(b) No Owner may waive or otherwise escape liability for any Assessment or other monetary obligation provided herein by non-use of the Common Property or abandonment of any Lot. No diminution or abatement of Assessments or other monetary obligation shall be claimed or allowed by reason of any alleged failure of the Association to take some action or to perform some function required to be taken or performed by the Association, or for inconvenience or discomfort arising from the making of improvements or repairs which are the responsibility of the Association, or from any action taken by the Association to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority, the obligation to pay such Assessments or other monetary obligation being a separate and independent covenant on the part of each Owner.

(c) The Association may also give written notification to the holder(s) of any mortgage on the Lot of the non-paying Owner of such Owner's default in paying any Assessment or Charge or other monetary obligation, particularly where the Association has

theretofore been furnished in writing with the correct name and address of the holder(s) of such mortgage, and a written request to receive such notification.

(d) If any Assessment or Charge or other monetary obligation or part thereof is not paid when due, the Association shall have the right and option to impose a late charge (but only to the extent permitted by applicable law) to cover the additional administrative costs involved in handling the account. The unpaid amount of any such delinquent Assessment or Charge or other monetary obligation shall bear interest from and after the date when due at the Maximum Lawful Rate until fully paid. The Association may, at its election, retain the services of an attorney to review, monitor and/or collect unpaid Assessments or Charges and delinquent accounts, and there shall also be added to the amount of any unpaid Assessment or Charge or any delinquent account any and all reasonable attorneys' fees and other costs of collection incurred by the Association.

(e) The Association may, at its discretion but subject to all applicable debt collection statutes, (i) prepare and file a lien affidavit in the Records which specifically identifies the unpaid Assessments or Charges or other monetary obligation; and (ii) publish and post, within one or more locations within the Property, a list of those individuals or entities who are delinquent and, if applicable, suspend their use and enjoyment of the Common Property until and unless the delinquency has been cured to the reasonable satisfaction of the Association. Each Owner consents to these procedures and authorizes the Board to undertake such measures for the general benefit of the Association.

(f) All agreements between any Owner and the Association and/or the Declarant, whether now existing or hereafter arising and whether written or oral and whether implied or otherwise, are hereby expressly limited so that in no contingency or event whatsoever shall the amount paid, or agreed to be paid, to the Association and/or the Declarant or for the payment or performance of any covenant or obligation contained herein or in any other document exceed the maximum amount permissible under applicable law. If from any circumstance whatsoever fulfillment of any provision hereof or of such other document at the time performance of such provision shall be due, shall involve transcending the limit of validity prescribed by law, then, ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity, and if from any such circumstance the Association and/or the Declarant should ever receive an amount deemed interest by applicable law which shall exceed the Maximum Lawful Rate, such amount which would be excessive interest shall be applied to the reduction of the Assessment or principal amount owing hereunder and other indebtedness of the Owner to the Association and/or the Declarant and not to the payment of interest of, if such excessive interest exceeds the unpaid balance of the Assessment due and such other indebtedness, the excess shall be refunded to the Owner in question. All sums paid or agreed to be paid by any Owner for the use, forbearance or detention of any indebtedness to the Association and/or the Declarant shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full term of such indebtedness until payment in full so that the interest charged, collected or received on account of such indebtedness is never more than the Maximum Lawful Rate. The terms and provisions of this subsection (f) shall control and supersede every other provision of all agreements between any Owner and the Association and/or the Declarant.

Section 5.12 Power of Sale.

(a) Each Owner of a Lot, for the purpose of better securing each and all monetary obligations described within these Covenants, and in consideration of the benefits received and to be received by virtue of the ownership of such Owner's Lot, by acceptance of a Deed therefor, is deemed to have granted, sold and conveyed unto the Trustee, such Owner's Lot, to have and to hold such Lot, together with the rights, privileges and appurtenances thereto belonging unto the Trustee, and to its substitutes or successors, forever. Each Owner, by its acceptance of the Deed, is deemed to have bound such Owner and such Owner's heirs, executors, administrators, devisees, personal representatives, successors and assigns, to warrant and forever defend such Owner's Lot unto the Trustee, its substitutes or successors and assigns, forever, against the claim, or claims of all Persons claiming or to claim the same or any part thereof.

(b) This conveyance by the Owners of the Lots is made in trust to secure payment by the Owners of all Lots of each and all Assessments and other obligations prescribed by these Covenants to and for the benefit of the Association, as the beneficiary. In the event of default in the payment of any obligation hereby secured, in accordance with the terms thereof, then and in such event, the Association may elect to declare the entire indebtedness hereby secured with all interest accrued thereon and all other sums hereby secured due and payable (subject, however, to the notice and cure provisions set forth in Section 51.002 of the Texas Property Code), and in the event of default in the payment of such indebtedness when due or declared due, it shall thereupon, or at any time thereafter, be the duty of the Trustee, or its successor or substitute as hereinafter provided, at the request of the Association (which request is hereby conclusively presumed), to enforce this trust. After advertising the time, place and terms of the sale of the Lot then subject to the lien hereof, and mailing and filing notices as required by Section 51.002, Texas Property Code, as then amended, and otherwise complying with that statute, the Trustee shall sell the Lot of the non-paying Owner, then subject to the lien hereof, at public auction in accordance with such notices on the first Tuesday in any month between the hours of ten o'clock a.m. and four o'clock p.m., to the highest bidder for cash, selling all of the Lot then subject to the lien hereof as an entirety or in such parcels as the Trustee acting may elect, and make due conveyance to the purchaser or purchasers (the "Purchaser" or "Purchasers" herein), with general warranty binding upon the Owner, his or her or its heirs, executors, administrators, devisees, personal representatives, successors and assigns. Out of the money arising from such sale, the Trustee acting shall pay, first, all the expenses of advertising the sale and making the conveyance, including a reasonable commission to itself, which commission shall be due and owing in addition to the attorney's fees herein provided for, and then to the Association the full amount of principal, interest, attorney's fees and other charges due and unpaid on such indebtedness secured hereby, rendering the balance of the sales price, if any, to the Owner, such Owner's heirs, executors, administrators, devisees, personal representatives, successors and assigns and/or to any other lienholder (if so required by applicable law). The recitals in the conveyance to the Purchaser or Purchasers shall be full and conclusive evidence of the truth of the matters therein stated, all prerequisites to such sale shall be presumed to have been performed, and such sale and conveyance shall be conclusive against the Owner, such Owner's heirs, executors, administrators, devisees, personal representatives, successors and assigns.

(c) It is agreed that in the event foreclosure of the contract Performance and Payment Lien hereunder should be commenced by the Trustee, or its substitute or successor, the Association may at any time before the sale of the Lot of the non-paying Owner direct the Trustee to abandon the sale, and may then institute suit for the collection of such indebtedness and for the foreclosure of the Assessment Lien created hereby. It is further agreed that if the Association should institute a suit for the collection thereof and/or for a foreclosure of the Assessment Lien created hereby, that the Association may at any time before the entry of a final judgment in such suit dismiss the same, and require the Trustee, its substitute or successor, to sell the Lot of the non-paying Owner in accordance with the provisions of this Section 5.12. The Association, if it is the highest bidder, shall have the right to purchase at any sale of the Lot in question and to have the amount for which such Lot is sold credited on the debt then owing. The Association in any event is hereby authorized to appoint a substitute Trustee, or a successor Trustee, to act instead of the Trustee named herein without other formality than the designation in writing of a substitute or successor Trustee. The authority hereby conferred shall extend to the appointment of other successor and substitute Trustees successively until the indebtedness hereby secured has been paid in full, or until the Lot of the non-paying Owner is sold hereunder, and each substitute and successor Trustee shall succeed to all of the rights and powers of the original Trustee named herein. In the event any sale is made of the Lot of the non-paying Owner, or any portion thereof, under the terms of this Section 5.12, the Owner, such Owner's heirs, executors, administrators, devisees, personal representatives, successors and assigns, shall forthwith upon the making of such sale surrender and deliver possession of the Lot so sold to the Purchaser or Purchasers at such sale. In the event of the Owner's failure to do so, the Owner shall thereupon from and after the making of such sale be and continue as a tenant at will of such Purchaser or Purchasers, and in the event of the Owner's failure to surrender possession of the Lot in question upon demand, the Purchaser or Purchasers, such Purchaser's heirs, executors, administrators, devisees, personal representatives, successors and assigns, shall be entitled to institute and maintain an action for forcible detainer of the Lot of the non-paying Owner in the Justice of the Peace Court in the Justice Precinct in which such Lot, or any part thereof, is situated. The foreclosure of the continuing Assessment Lien on any one or more occasions shall not remove, replace, impair or extinguish the same continuing Assessment Lien from securing all obligations arising from and after the date of foreclosure.

Section 5.13 Subordination of the Lien. The lien on the Lots securing the payment of the Assessments and other obligations provided for herein shall be superior to any and all other charges, liens or encumbrances which may hereafter in any manner arise or be imposed upon any Lot, whether arising from or imposed by judgment or decree or by any agreement, contract, mortgage or other instrument, except for:

- (a) bona fide first mortgage or deed of trust liens for purchase money and/or improvement purposes placed against a Lot, including, without limitation, Institutional Mortgages, in which event the Association's lien shall automatically become subordinate and inferior to such first lien;
- (b) liens for taxes or other public charges as are by applicable law made superior to the Association's lien; and



(c) such other liens with respect to which the Board may, in the exercise of its reasonable discretion, elect to voluntarily subordinate the Association's lien;

provided however, such subordination shall apply only to (i) the Assessments due and payable prior to the foreclosure sale (whether public or private) of such Lot pursuant to the terms and conditions of any such first mortgage or deed of trust or tax lien and (ii) the permitted Assessment Lien on the Lot alone and not on or to any easement appurtenant for use and enjoyment of the Common Property. Such sale shall neither relieve such Lot from liability for the amount of any Assessment thereafter becoming due nor from the lien of any such subsequent Assessment. Such subordination shall not apply where the first mortgage or deed of trust or tax lien is used as a device, scheme or artifice to evade the obligation to pay Assessments and/or to hinder the Association in performing its functions hereunder.

Section 5.14 Exempt Property. The Exempt Property shall be exempted from any Assessments or Charge created herein.

## ARTICLE VI

### DESIGN REVIEW COMMITTEE

Section 6.1 Committee and Guidelines. The Design Review Committee will be responsible for the administration of Design Guidelines to facilitate the purposes and intent of this Declaration. The Declarant shall have the right to adopt, modify, amend, repeal and augment the Design Guidelines in its sole discretion until the earlier of (a) the expiration of the Development Period or (b) the assignment of such right by the Declarant to the Design Review Committee, and thereafter, by unanimous vote, the Design Review Committee may adopt, modify, amend, repeal and augment the Design Guidelines from time to time, with the approval of the Board. The Design Guidelines will be binding on all Owners and other persons governed by this Declaration. The Design Guidelines applicable to Estate Lots, Lake Front Lots, Lake View Lots and Golf Course Lots are set forth on Exhibit "B" attached hereto. Design Guidelines for other types of Lots and uses will be adopted by Declarant or the Association, as applicable, at such time as Declarant or the Association, as applicable, deems appropriate. The Design Guidelines may vary between Subdivisions and phases of Subdivisions.

The Design Guidelines may include, among other things, those restrictions and limitations set forth below:

- (a) Procedures for making application to the Design Review Committee for design review approval, including the documents to be submitted and the time limits in which the Design Review Committee must act to approve or disapprove any submission;
- (b) Designation of the Building Area on a Lot;
- (c) Minimum square foot areas of living area that may be developed on any Lot;
- (d) Landscaping regulations, with limitations and restrictions prohibiting the removal or requiring the replacement of existing trees, the use of plants indigenous to the

locale, and other practice benefitting the protection of the environment, aesthetics and architectural harmony of the Property; and

(e) General instructions for the construction, reconstruction, refinishing or alteration of any Improvement, including any plan to excavate, fill or make any other temporary or permanent change in the natural or existing surface contour or drainage or any installation of utility lines or conduits on the Property, addressing matters such as waste storage, trash removal, equipment and materials storage, grading, transformers and meters.

Section 6.2 Committee Membership. The Design Review Committee will be composed of up to three (3) persons. The Design Review Committee need not include any Member of the Association. All of the members of the Design Review Committee will be appointed, removed and replaced by Declarant, in its sole discretion, until the expiration of the Development Period or such earlier time as Declarant may elect to voluntarily waive this right by notice to the Association, and at that time the Board will succeed to Declarant's right to appoint, remove or replace the members of the Design Review Committee. The compensation of the members of the Design Review Committee, if any, may be established, revoked or modified from time to time by the Declarant or the Board, whichever then has the right to appoint, remove or replace members. All Committee members shall be entitled to reimbursement for reasonable expenses incurred by them in connection with the performance of the duties of the Design Review Committee.

Section 6.3 Purpose and General Authority. The Design Review Committee will review, study and either approve or reject proposed Improvements on the Property, all in compliance with this Declaration and as further set forth in the Design Guidelines and such rules and regulations as the Design Review Committee may establish from time to time to govern its proceedings. No Improvement will be erected, placed, constructed, reconstructed, replaced, repaired or otherwise altered, and no erection, placement, construction, reconstruction, replacement, repair or alteration will be commenced until plans for the Improvements shall have been submitted to and approved by the Design Review Committee, all in accordance with these Covenants; provided, however, that Improvements that are completely within a Structure and not visible from outside the Structure may be undertaken without such approval. All Improvements will be erected, placed, constructed, reconstructed, replaced, repaired or altered only in accordance with plans approved by the Design Review Committee in accordance with these Covenants.

Section 6.4 Committee Discretion. When a proposed Improvement is submitted to the Design Review Committee for review, the Design Review Committee will grant the requested approval only if the Design Review Committee, in its sole discretion, determines that:

(a) All Improvements conform and harmonize with any existing Structures as to external design, quality and type of construction, seals, materials, color, location on the Building Area, height, grade and finished ground elevation;

(b) The Improvements, as a result of appearance, location or anticipated use, will not interfere with the reasonable enjoyment of any other Owner or Owner's Property or the Club Owner or Club; and

(c) The Owner's plans and specifications conform to the schemes and aesthetic considerations set forth in the Design Guidelines and the other Governing Documents.

The Design Review Committee, in its sole discretion, may excuse compliance with the standards set forth within these Covenants and the Design Guidelines as are not necessary or appropriate in specific situations and may permit compliance with different or alternative standards. The approval by the Design Review Committee of any plans, drawings or specifications for any Improvement, or for any other matter requiring the approval of the Design Review Committee under this Declaration, or any waiver thereof, shall not be deemed to constitute a waiver of any right to withhold approval of any similar plan, drawing, specification or matter subsequently submitted for approval by the same or some other Owner. The Design Review Committee shall be entitled to determine that a proposed Improvement or component thereof is unacceptable when proposed on a particular Lot, even if the same or a similar Improvement has previously been approved for use at another location.

Section 6.5 Binding Effect. The actions of the Design Review Committee in the exercise of its discretion by its approval or disapproval of plans, drawings, specifications and other information submitted to it, or with respect to any other matter before it, will be conclusive and binding on all interested parties.

Section 6.6 Organization and Operation of Committee.

(a) The term of office of each member of the Design Review Committee, subject to Section 6.2, will be one (1) year, commencing January 1 of each year, and continuing until his successor shall have been appointed. Should a Committee member die, retire or become incapacitated, or in the event of a temporary absence of a member, a successor may be appointed as provided in Section 6.2. A Committee member may resign from the Design Review Committee at any time upon written notice stating the effective date of such resignation to the Declarant or the Board, whichever then has the right to appoint members. A Committee member may be removed from the Design Review Committee at any time, with or without cause, by the party by whom the member was appointed.

(b) So long as Declarant appoints the Design Review Committee, Declarant will appoint the chairman. At such time as the Design Review Committee is appointed by the Board, the chairman will be elected annually from among the members of the Design Review Committee by a majority vote of the members. In the absence of a chairman, the party responsible for appointing or electing the chairman may appoint or elect a successor, or if the absence is temporary, an interim chairman.

(c) The Design Review Committee chairman will take charge of and conduct all meetings and will provide for reasonable notice to each member of the Design Review Committee prior to any meeting. The notice will set forth the time and place of the meeting, and notice may be waived by any member.

(d) The affirmative vote of a majority of the members of the Design Review Committee will govern its actions and be the act of the Design Review Committee.

(e) The Design Review Committee may avail itself of other technical and professional advice and consultants as it deems appropriate, and the Design Review Committee may delegate its plan review responsibilities, except final review and approval, to one or more of its members or to consultants retained by the Design Review Committee. Upon that delegation, the approval or disapproval of plans and specifications by such member or consultant will be equivalent to approval or disapproval by the Design Review Committee.

Section 6.7 Expenses. Except as provided in this section below, all expenses of the Design Review Committee will be paid by the Association and will constitute a Common Expense. The Design Review Committee will have the right to charge a fee for each application submitted or resubmitted to it for review and for each request for a Certificate of Compliance, in an amount which may be established by the Design Review Committee from time to time, and such fees will be collected by the Design Review Committee and remitted to the Association to help defray the expenses of the Design Review Committee's operation. In addition, the Association may engage outside consultants and other professionals to review submissions, the cost of which shall be borne by the person or entity making the submission or request.

Section 6.8 Other Requirements. Compliance with the design review process is not a substitute for compliance with City and/or County building, zoning and subdivision regulations, and each Owner is responsible for obtaining all approvals, licenses, and permits as may be required prior to commencing construction. Further, the establishment of the Design Review Committee and procedures for design review will not be construed as a modification of any rights or restrictions upon Owners to maintain and repair their Lots and Improvements as otherwise required under the Governing Documents.

Section 6.9 Limitation of Liability. Review and approval of any application pursuant to this Article is made on the basis of aesthetic considerations only, and the Design Review Committee shall not bear any responsibility for ensuring (i) structural integrity or soundness of approved construction or modifications, (ii) compliance with building codes and other governmental requirements, or (iii) conformity of quality, value, size or design among Lots. The Design Review Committee will use its own judgment in accepting or disapproving all plans and specifications submitted to it. Neither the Design Review Committee nor any individual Committee member will be liable to any person for any official act of the Design Review Committee in connection with submitted plans and specifications, except to the extent the Design Review Committee or any individual Committee member acted with malice or harmful intent. Approval by the Design Review Committee does not necessarily assure approval by the appropriate governmental board or commission for the City. Notwithstanding that the Design Review Committee has approved plans and specifications, neither the Design Review Committee nor any of its members will be responsible or liable to any Owner, developer or contractor with respect to any loss, liability, claim or expense which may arise by reason of such approval of the construction of the Improvements. The Design Review Committee's approval of any application shall not be deemed to be a representation or warranty that the construction or modification of any Improvement pursuant to such approval will be free of defects in the quality of materials or labor provided or in its design. Each Owner should obtain whatever soil reports, foundation studies and/or engineering studies the Owner deems necessary to determine the adequacy for construction of any Improvement prior to the purchase of a Lot. NONE OF THE DECLARANT, ANY GENERAL PARTNER OF THE DECLARANT, THE

ASSOCIATION, THE BOARD, THE DESIGN REVIEW COMMITTEE, ANY INDIVIDUAL COMMITTEE MEMBER OR THE OFFICERS, DIRECTORS, MANAGERS, PARTNERS, MEMBERS, EMPLOYEES OR AGENTS OF ANY OF THEM WILL BE RESPONSIBLE IN ANY WAY FOR ANY DEFECTS IN ANY PLANS OR SPECIFICATIONS SUBMITTED, REVISED OR APPROVED IN ACCORDANCE WITH THE PROVISIONS OF THESE COVENANTS AND THE DESIGN GUIDELINES, NOR FOR ANY STRUCTURAL OR OTHER DEFECTS IN ANY WORK DONE ACCORDING TO SUCH PLANS AND SPECIFICATIONS. In all events the Design Review Committee will be defended and indemnified by the Association in any such suit or proceeding which may arise by reason of the Design Review Committee's review or decision in accordance with the provisions of Section 1396-2.22.A of the Texas Non-Profit Corporation Act, as amended (but, in the case of any such amendment, only to the extent that such amendment permits broader indemnification than permitted prior to such amendment).

Section 6.10 Proceeding With Work.

(a) Upon receipt of final design approval from the Design Review Committee, the Owner shall, as soon as practicable, satisfy all conditions thereof and diligently proceed with the commencement of construction pursuant to said approval, said commencement to be within one (1) year from the date of such approval, and the Improvement shall be diligently pursued to completion. If the Owner shall fail to comply with this Section 6.10, any approval given pursuant to this Article VI shall be deemed revoked unless the Design Review Committee, upon written request of the Owner made prior to the expiration of the applicable time period, extends the time for commencement. No such extension shall be granted except upon a finding by the Design Review Committee that there has been no change in the circumstances upon which the original approval was granted and that the Owner has a bona fide intention and ability to commence the Improvement within the time period specified in the extension request and diligently pursue the same to completion. For purposes of this Section 6.10, "commencement of construction" with respect to the initial construction of a Structure on a Lot shall be deemed to mean the later of the date on which a building permit has been issued by the City for construction of a Structure on the Lot, rough plumbing has been installed on the Lot and foundations forms are set on the Lot and ready for pouring and "commencement of construction" with respect to reconstruction, refinishing or alteration shall be deemed to mean the date on which labor is first furnished or materials first delivered to a Lot with respect to such reconstruction, refinishing or alteration.

(b) Each Owner of a Lot covenants and agrees that, in the event construction of the initial Structure on the Owner's Lot has not commenced within one (1) year from the date of conveyance of such Lot by Declarant to such Owner or Owner's predecessor in title to the Lot, upon receipt by the Owner of such Lot of written notice (the "Construction Commencement Notice") from the Association informing the Owner that the Owner must diligently proceed with the commencement of construction of a Structure on the Lot, that construction of such Structure must be completed within one (1) year after receipt of the Construction Commencement Notice, and that the Construction Delay Fine (as hereinafter defined) shall be levied against the Owner and such Lot in the event of the failure to timely complete such construction, such Owner shall promptly and diligently proceed with the

commencement of construction of a Structure on the Lot and the Improvements shall be diligently pursued to completion.

Section 6.11 Failure to Complete Work.

(a) Unless the Owner has been granted an extension of time to complete the Improvement by the Design Review Committee, the initial construction of a Structure on a Lot must be completed within one (1) year after construction has commenced. Unless the Owner has been granted an extension of time to complete the Improvement by the Design Review Committee, reconstruction, refinishing or alteration of any Improvement must be completed within one (1) year after construction has commenced or within such shorter period as may have been specified in the Design Review Committee's approval of the Improvement. Further, construction, reconstruction, refinishing or alteration of any Improvement may not cease for any period in excess of ninety (90) consecutive days. For purposes of this Section 6.11, the initial construction of a Structure on a Lot shall be deemed completed when all plumbing fixtures are installed and operational, all cabinet work is completed and installed, all interior walls, ceilings and doors are completed and installed, floors have been completed and hardwood, carpet, tile or other similar floor covering installed, the appropriate final finish has been applied to all surfaces within the structure, such as paint, wallpaper, paneling, stain or the like, and all approved and required landscaping is completed and installed. For purposes of this Section 6.11, reconstruction, refinishing or alteration of any Improvement shall be deemed completed when the Improvement may be used for the purposes for which it is intended.

(b) With respect to the initial construction of a Structure on a Lot, the following shall apply:

(i) with respect to a Structure the commencement of construction (as defined in Section 6.10) of which occurs within one (1) year from the date of conveyance of such Lot by Declarant to the Owner of the Lot or such Owner's predecessor in title to the Lot, in the event that construction of the Structure has not been completed on or before the expiration of one (1) year following commencement of construction thereof;

(ii) with respect to a Structure the commencement of construction of which does not occur within one (1) year from the date of conveyance of such Lot by Declarant to the Owner of the Lot or such Owner's predecessor in title to the Lot, in the event that construction of the Structure has not been completed on or before the expiration of one (1) year after receipt by the Owner of such Lot of the Construction Commencement Notice; or

(ii) in the event that construction of the Structure, once commenced, ceases for a period in excess of ninety (90) consecutive days;

the Owner of such Lot shall pay to the Association a fine (the "Construction Delay Fine") payable as established by the Association from time to time not more frequently than monthly in an amount established by the Association from time to time not less than One

Hundred and No/100 Dollars (\$100.00) for each day elapsing following, as applicable, (i) the expiration of one (1) year following commencement of construction thereof or receipt of the Construction Commencement Notice until construction of the Structure has been completed or (ii) the expiration of ninety (90) days in which no construction of the Structure has occurred until such construction recommences. The Construction Delay Fine shall constitute a Charge secured by the continuing Assessment Lien herein established and shall be the continuing personal obligation of the Owner. The Construction Delay Fine shall be due and payable as it accrues on the last day of each month until construction of the Structure has been completed. The Owner of any Lot, by acceptance of a Deed therefor, shall be deemed to have covenanted and agreed that the Construction Delay Fine is reasonable and necessary.

#### Section 6.12 Enforcement.

(a) Any member or authorized consultant of the Design Review Committee, or any authorized officer, director, employee or agent of the Association may enter upon any Lot at any reasonable time after notice to the Owner, without being deemed guilty of trespass, in order to inspect Improvements constructed or under construction on the Lot to determine whether the Improvements have been or are being built in compliance with the Governing Documents and the plans and specifications approved by the Design Review Committee.

(b) Before any Improvements on a Lot may be occupied, the Owner of the Lot shall be required to obtain a certificate in recordable form setting forth, to the best of the Design Review Committee's knowledge, that the Improvements on a particular Lot have been substantially completed in accordance with the plans and specifications approved by the Design Review Committee (a "Certificate of Completion"). Without limiting the generality of the preceding sentence, the Design Review Committee may require, as a condition to the issuance of the Certificate of Completion, that the Owner pay a reasonable fee established by the Design Review Committee from time to time and deposit with the Design Review Committee such sums as may be necessary to complete the landscaping on the Lot by a specified date. If the landscaping is not completed as scheduled, the Design Review Committee may apply the deposit to cover the cost of completing the work and enforce such other remedies as are available to the Association for the failure of the Owner to comply with these covenants, including, without limitation, the remedies set forth in Section 6.11.

(c) Upon payment of a reasonable fee established from time to time by the Design Review Committee, and upon written request of any Owner or his agent, an existing or prospective Institutional Mortgagee, or a prospective grantee, the Design Review Committee will issue a certificate, in recordable form, setting forth generally whether, to the best of the Design Review Committee's knowledge, the Improvements on a particular Lot are in compliance with the terms and conditions of the Design Guidelines.

(d) Every violation of these Covenants is hereby declared to be and to constitute a nuisance, and every public or private remedy allowed for such violation by law or equity against an Owner will be applicable. Without limiting the generality of the foregoing, these Covenants may be enforced as provided below.

(i) The Design Review Committee may adopt a schedule of fines for failure to abide by the Design Review Committee rules and the Design Guidelines, including fines for failure to obtain any required approval from the Design Review Committee.

(ii) The Association, upon request of the Design Review Committee and after reasonable notice to the Owner, may enter upon any Lot at any reasonable time after notice to the Owner, without being deemed guilty of trespass, and remove any Improvement constructed, reconstructed, refinished, altered, or maintained in violation of these Covenants. The Owner of the Improvements will immediately reimburse the Association for all expenses incurred in connection with such removal. If the Owner fails to reimburse the Association within thirty (30) days after the Association gives the Owner notice of the expenses, the sum owed to the Association shall constitute a Charge secured by the continuing Assessment Lien herein established and shall be the continuing personal obligation of the Owner.

(iii) To evidence any violation of this Article or Article VII by any Owner, the Board may file, but is not required to file, in the Records, a notice of violation. Such notice shall be signed and acknowledged by an officer or duly authorized agent or attorney of the Association. The cost of preparing and recording such notice may be assessed against the non-conforming Lot and collected as a Charge secured by the continuing Assessment Lien herein established and shall be the continuing personal obligation of the Owner.

## ARTICLE VII

### USE RESTRICTIONS

Each Lot situated in the Property shall be constructed, developed, reconstructed, repaired, occupied and used as follows:

#### Section 7.1 Use of Lots.

(a) Residential Parcels. All Lots within Residential Parcels shall be used solely for a Residential Use. No Structure shall be erected, altered, placed or permitted to remain on any Lot within a Residential Parcel other than one (1) single-family Residence and, if any, its customary and usual accessory structures (unless otherwise prohibited herein). No Owner, Member or Resident shall conduct, transmit, permit or allow any type or kind of home business or home profession or hobby on any Lot or within any Residence which would (a) attract automobile, vehicular or pedestrian traffic to the Lot, or (b) involve lights, sounds, smells, visual effects, pollution and the like which would adversely affect the peace and tranquility of any one or more of the Residents within the Property. No building or Structure intended for or adapted to business or commercial purposes or commercial use shall be erected, placed, permitted or maintained on any Lot within a Residential Parcel, save and except those related to development, construction and sales purposes of a Builder or the Declarant.



(b) Multifamily Parcel. A Multifamily Parcel shall be used solely for multifamily residential use, and, if consented to by Declarant and/or the Association, Commercial Uses. No Structure shall be erected, altered, placed or permitted to remain on a Multifamily Parcel other than one (1) or more Structures containing multiple Multifamily Units, and, if consented to by Declarant and/or the Association, Commercial Uses.

(c) Condominium Parcel. A Condominium Parcel shall be used solely for multifamily residential use, and, if consented to by Declarant and/or the Association, Commercial Uses. No Structure shall be erected, altered, placed or permitted to remain on a Condominium Parcel other than one (1) or more Structures containing multiple Condominium Units, and, if consented to by Declarant and/or the Association, Commercial Uses.

(d) Commercial Parcel. A Commercial Parcel shall be used solely for Commercial Uses as approved by the Declarant.

(e) Governmental Requirements. The restrictions on use herein contained shall be cumulative of, and in addition to, such restrictions on usage as may from time to time be applicable under and pursuant to zoning ordinances of the City and/or County or any other statutes, rules, regulations and ordinances of the City, County or any other governmental authority having jurisdiction over the Property.

Section 7.2 Subdivision or Consolidation of Lots.

(a) Except for the powers and privileges herein reserved by Declarant, Lots shall not be further subdivided or consolidated into a single building location without the prior express written consent of the Declarant during the Development Period and, thereafter, the Association, and the consent or approval of any Owner other than Declarant shall not be required for such further subdivision or consolidation. The Declarant shall have and reserves the right, at any time or from time to time during the Development Period, to file a replat of the Plat to effect a reconfiguration of any Lot then owned by Declarant, subject to compliance with the provisions of this Declaration, applicable zoning ordinance and any other statutes, rules, regulations and ordinances of the City, County or any other governmental authority having jurisdiction over the Property, and the consent or approval of any Owner other than Declarant shall not be required for such replatting.

(b) In the event any Owner owning two (2) or more Lots desires to consolidate such Lots into a single building location and Declarant or the Association, as applicable, consents thereto, such consolidation must comply with the provisions of this Declaration, applicable zoning ordinances and any other statutes, rules, regulations and ordinances of the City, County or any other governmental authority having jurisdiction over the Property. Further, notwithstanding such consolidation, the Owner of the consolidated Lots shall be obligated to pay Assessments and shall be entitled to votes as a Member of the Association based upon the number of Lots determined prior to such consolidation.

(c) In the event any consolidation as contemplated in Section 7.2 (b) requires the abandonment or relocation of utility easements reserved as shown on the Plat, such

abandonment or relocation shall require, in addition to the approval of any utility company having the right to use such utility easement, during the Development Period, the Declarant, and from and after the expiration of the Development Period, the Association.

(d) No Lot shall be made subject to any type of timesharing, fraction-sharing or similar program whereby the right to exclusive use of the Lot rotates among members of the program on a fixed or floating time schedule over a period of years.

### Section 7.3 Parking and Prohibited Vehicles.

(a) Each Owner, Member and Resident shall use their respective best efforts to refrain from performing, permitting or allowing repair or maintenance work to any automobile or other vehicle outside the garage and visible to the abutting street(s). Under no circumstances or conditions shall any automobile or other vehicle be parked on a non-paved portion of the Property. No parking of any automobile or other vehicle shall be permitted on any Private Street or Public Street without the prior written approval from Declarant or the Association. Parking within the Property shall be subject to such other reasonable rules and regulations as may be from time to time adopted by the Association. So long as applicable laws and ordinances are observed, the Association shall have the authority to tow at the Owner's expense, any vehicle parked or stored within the Property in violation of this Section 7.3. The Board shall post such notices or signs within the Property as may be required by law to effectuate this towing provision.

(b) Commercial vehicles, vehicles with commercial writing on their exteriors, vehicles primarily used or designed for commercial purposes, trucks (excluding conventional pickups), buses, boats, boat trailers, trailers, mobile homes, golf carts, motorcycles, recreational vehicles, camp mobiles, campers and any other vehicle other than a conventional automobile, pickup or sport utility vehicle, if brought within the Property by or on behalf of any Owner or Resident, shall be stored, placed or parked on the appropriate Lot within the enclosed garage or enclosed by fences, walls or landscaping so as not to be visible from the immediate Private Street, Public Street, Common Property or other Lots within the Property, which enclosure must be approved by the Design Review Committee as to location and screening material. Notwithstanding the foregoing, vehicles with a hauling capacity in excess of two (2) tons shall not be permitted to park overnight within the Subdivision and no hazardous material transport vehicles shall be permitted to park at any time within the Subdivision.

Section 7.4 Signs. No sign or signs shall be displayed to the public view on any Lot without the prior written approval of the Design Review Committee, except (a) one (1) sign of not more than six (6) square feet advertising a Lot for rent or sale; (b) signs used by the Declarant or by a Builder to advertise the Property during the development, construction and sales periods, including entry, directional and advertising signs; (c) political signs advocating the election of one or more political candidates or the sponsorship of a political party, issue or proposal provided that such signs shall not be erected more than a reasonable period of time [in no event to exceed thirty (30) days in advance of and five (5) days following the election to which they pertain]; (d) personal signs indicating school affiliations, birth announcements and similar type signs; (e) contractors' signs used for advertising work performed on a Lot provided that such signs shall not remain more than thirty

(30) days following installation of the sign or completion of the work, whichever occurs first; and (f) signs indicating that a Residence is monitored by a security company. The Declarant and/or the Design Review Committee shall have the right and privilege to develop and implement uniform signage specifications and requirements applicable throughout the Property. In all events any and all signs, if allowed, shall comply with the sign standards of the City applicable to the Property.

Section 7.5 Animals and Pets. Any noise or odor emitted by, and any discharge or waste from, any animal (including, without limitation, dogs and cats) which can be seen, heard or smelled outside the perimeter of the subject Owner's (or Resident's) Lot shall be deemed noxious and offensive and is therefore prohibited. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except that a reasonable number of dogs, cats or other household pets may be kept, provided that they are not kept, bred or maintained for commercial purposes and they are not noxious, offensive, vicious (e.g. pit bull terriers shall not be permitted within the Property) or dangerous. Any outside pen, cage, kennel, shelter, concrete pet pad, run, track or other building, structure or device directly or indirectly related to animals which can be seen, heard or smelled by anyone other than the subject Lot Owner must be approved by the Design Review Committee in its sole and absolute discretion. Each and every dog, cat or other household pet, if not kept and confined within an enclosed non-visible portion of the Owner's/Resident's Lot, must be leashed and accompanied by its corresponding Owner/Resident, particularly when traveling beyond the perimeter of the Owner's/Resident's Lot, and such Owner/Resident shall promptly clean and remove the discharge and waste of any pet.

Section 7.6 Fences. No fence, wall or hedge (which serves as a barrier) shall be erected, placed or altered on any Lot unless approved by the Design Review Committee in accordance with Article VI.

Section 7.7 Temporary Structures. No temporary Structure of any kind shall be erected or placed upon any Lot. Temporary Structures shall include, but not be limited to, any garage, servant's house or other improvement erected more than one hundred twenty (120) days prior to the completion of the main portion of the Residence. However, upon receiving the prior, express written approval of the Design Review Committee, the Declarant or any Builder may maintain temporary sales or construction offices, provided such sales or construction offices are removed within sixty (60) days after completion of sales or construction, as the case may be.

Section 7.8 Site Maintenance, Garbage and Trash Collection.

(a) All Owners and Builders shall comply with the portions of the Design Guidelines regulating construction activities. Such regulations may affect, without limitation, the following: trash and debris removal; sanitary facilities, parking areas; outside storage; restoration of damaged property; conduct and behavior of Builders, subcontractors and Owners' representatives on the Property at any time; the conservation of landscape materials; and fire protection.

(b) All garbage and yard waste shall be kept in plastic bags, other containers or otherwise bundled as required by (and meeting the specifications of) the City. Each Owner, Member and Resident shall observe and comply with any and all regulations or requirements

promulgated by the Association and/or the City in connection with the screening, storage and removal of trash and garbage.

(c) No Lot, or any portion of the Common Property or any public right-of-way area, shall be used or maintained as a dumping ground for rubbish, trash or garbage. No Owner or Resident shall dump grass clippings, landscape debris, garbage or trash of any kind on another Lot or the Common Property. Each Owner shall be responsible for the appearance and condition of such Owner's Lot.

(d) If more than five (5) days after prior written notice an Owner shall fail to: (i) control weeds, grass and/or other unsightly growth; (ii) remove trash, rubble, building and construction debris; or (iii) exercise reasonable care or conduct to prevent or remedy an unclean, untidy or unsightly condition, then in such event the Declarant or the Association shall have the authority and right to go onto the Lot in question for the purpose of mowing and cleaning such Lot and shall have the authority and right to assess and collect from the Owner of Lot in question a reasonable charge for mowing or cleaning such Lot on each respective occasion of such mowing or cleaning, which charge shall constitute an Individual Assessment.

Section 7.9 Offensive Activities. No noxious or offensive activity or pollution affecting sight/sound/smell, as determined by the Association, shall be conducted or permitted on any portion of the Property. Excluding activities of the Declarant and Builders, no direct sales activities, garage sales, estate sales, yard sales, patio sales, flea markets, bazaars, sample sales, promotional dinner parties, or similar activities shall be conducted on any portion of the Property without the approval of the Association or as permitted by rules and regulations established by the Association. Any activity conducted on any Lot, including without limitation, parties and gatherings for any purpose, must be conducted in such a manner as to not unreasonably interfere with the Owners and Residents of other Lots. The Association shall be entitled to establish rules and regulations regarding the activities described in this paragraph and such rules and regulations shall be binding on each Owner and Resident.

Section 7.10 Antenna Restrictions. No antenna shall be permitted to be used, erected, placed or maintained on any Residence or on any Lot except an antenna designed to receive direct broadcast satellite service one (1) meter or less in diameter, an antenna designed to receive video programming service via multipoint distribution service one (1) meter or less in diameter or diagonal measurement, or an antenna designed to receive television broadcast signals. Any permitted antenna shall be installed within the Lot so as not to be visible from the immediate Private Street, Public Street, Common Property or other Lots within the Property, except as expressly permitted by the Design Review Committee.

Section 7.11 Irrigation. No sprinkler or irrigation systems of any type that draw upon water from creeks, streams, rivers, ponds, lakes, wetlands or other surface water within the Property shall be installed, constructed or operated within the Property unless approved in writing by the Association; however, the Declarant and the Association shall have the right to draw water from such sources for the purpose of irrigating the Common Property.

Section 7.12 Drainage. No Owner will do or permit any work, place any landscaping or install any other Improvements or suffer the existence of any condition whatsoever which will alter or interfere with the drainage pattern for the Property, except to the extent such alteration and drainage pattern is approved in writing by the Design Review Committee or the Association.

Section 7.13 Pools. No above ground-level swimming pools shall be erected, constructed or installed on any Lot.

Section 7.14 Mailboxes. Each Lot shall have a mailbox of a design, material and location as may be provided by the Design Guidelines or as otherwise approved by the Design Review Committee.

Section 7.15 Exterior Lighting. No exterior lighting, including landscaping lighting, shall be installed or maintained on any Lot which is not in compliance with any requirements of the Design Guidelines or is otherwise approved in writing by the Design Review Committee.

Section 7.16 Window Coolers. No window or wall type air-conditioners or water coolers shall be permitted to be used, erected, placed or maintained on or in any Residence on any Lot unless approved in writing by the Design Review Committee.

Section 7.17 Solar Panels. No solar energy collector panels or attendant hardware or other energy conservation equipment shall be permitted on any Structure constructed on any Lot, unless approved in writing by the Design Review Committee.

Section 7.18 Removal of Dirt. The digging of dirt or the removal of any dirt from any Lot is hereby expressly prohibited, except as may be necessary in conjunction with landscaping or construction of Improvements. Minimum finished elevations established on the Plat or otherwise established by the Design Review Committee shall be maintained at all times, unless a variance is secured by the Owner from the Design Review Committee.

Section 7.19 No Outside Clotheslines. No laundry or wash may be dried or hung outside any Structure.

Section 7.20 Outside Burning. No exterior fires, except barbecues, outside fireplaces, braziers and incinerator fires contained within facilities or receptacles and in areas designated and approved by the Design Review Committee, shall be permitted. No Owner will permit any condition upon such Owner's Lot that creates a fire hazard or is in violation of fire prevention regulations.

Section 7.21 Sight Distance at Intersections. Lots located at street intersections shall be landscaped so as to permit safe sight across the street corners. No Structure shall be placed or permitted to remain where it would create a traffic or sight line problem.

Section 7.22 Utility Lines. No overhead utility lines, including lines for cable television, shall be permitted within the Property, except for temporary lines as required during construction.

Section 7.23 Wetlands, Lakes and Other Water Bodies. Unless otherwise designated by the Board in writing, all wetlands, lakes, ponds and streams within the Property, if any, shall be

aesthetic amenities only and no other use thereof, including, without limitation, fishing, skiing, swimming, boating, playing or use of personal flotation devices, shall be permitted without the prior approval of the Board. 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 the Property. No docks, piers or other structures shall be constructed on or over any body of water within the Property, except such as may be constructed by the Declarant or the Association.

Section 7.24 Landscaping.

(a) Construction of each and every Structure on a Lot shall include the installation and placement of landscaping as required by these Covenants, the Design Guidelines and applicable zoning ordinances. Any and all plans and specifications for the landscaping of Lots and any alterations, changes, additions to or removal of existing landscaping, shall be subject to the prior approval of the Design Review Committee.

(b) Each Lot shall have and contain an underground water sprinkler system for the purpose of providing sufficient water to all landscaped areas within the Lot.

Section 7.25 Maintenance.

(a) Each Owner and Resident of any Lot shall have the duty and responsibility, at their sole cost and expense, to keep, maintain and landscape their Lot in a well maintained, clean and attractive condition at all times, including, without limitation, (i) the proper sodding, consistent watering and mowing of all lawns, (ii) the pruning and cutting of all trees and shrubbery, (iii) watering of all landscape, (iv) keeping lawn and garden areas alive, free of weeds and attractive, and (v) keeping plant materials in a healthy, growing condition, all in a manner and with such frequency as is consistent with aesthetics and good property management.

(b) Each Owner and Resident of any Lot shall have the duty and responsibility, at their sole cost and expense, to keep and maintain their Lot, and all Improvements therein and thereon, and the driveway serving the Lot whether or not lying entirely within the Lot boundaries, in a well maintained, safe, clean and attractive condition at all times, including, without limitation (i) prompt removal of all litter, trash, refuse and waste, (ii) keeping exterior lighting and mechanical facilities in working order, (iii) keeping driveways, walkways, fences and retaining walls in good repair and condition, (iv) promptly repairing any exterior damage, including casualty damage, (v) complying with all governmental health and police requirements, and (vi) repainting and refinishing Improvements and exterior surfaces when required, all in a manner and with such frequency as is consistent with aesthetics, safety and good property management.

(c) Each Owner and Resident of any Lot shall have the duty and responsibility, at their sole cost and expense, to keep and maintain all landscaping on that portion of the Common Property or public right-of-way between the Lot boundary and (i) the nearest curb or pavement edge of the adjoining street(s) or alley(s) or the nearest fence, wall or berm constructed on the adjacent Common Property, (ii) any abutting bank or water's edge of any lake, pond, stream or wetlands area within the Properties, or (iii) any Common Property

abutting the bank or water's edge of any lake, pond, stream or wetlands area within the Property; provided, there shall be no right to remove trees, shrubs or similar vegetation from this area without prior approval by the Design Review Committee.

(d) The Association, and its agents, during normal business hours, shall have the right [after five (5) days written notice to the Owner of any Lot involved, setting forth the specific violation or breach of these Covenants and the action required to be taken, and if at the end of such time reasonable steps to accomplish such action have not been taken by the Owner], to enter on the subject premises (without any liability whatsoever for damages for wrongful entry, trespass or otherwise to any Person) and to take the action(s) specified in the notice to remedy or abate said violation(s) or breach(es). The cost of such remedy or abatement will be paid to the Association upon demand and if not paid within thirty (30) days thereof, shall become a lien upon the Lot affected. The Association, or its agent, shall further have the right (upon like notice and conditions), to trim or prune, at the expense of the Owner, any hedge, tree or any other planting that, in the written opinion of the Association, by reason of its location on the Lot, the height, or the manner in which it is permitted to grow, is detrimental to the adjoining Lots, is dangerous, is unattractive in appearance or is otherwise in violation of this Declaration. The contract lien provided under this Section 7.25(d) will constitute a lien retained against the Lot in question with the same force and effect as the Assessment Lien for Assessments set forth in these Covenants.

## ARTICLE VIII

### POWERS AND DUTIES OF THE ASSOCIATION

Section 8.1 Common Property. The Association, subject to the rights and obligations of the Owners set forth in this Declaration, shall be responsible for (a) the exclusive management and control of the Common Property and all improvements thereon (including, without limitation, furnishings, equipment and common landscaped areas) and shall keep it in good, clean, attractive and sanitary condition, order and repair, pursuant to the terms and conditions hereof; (b) the maintenance, repair and replacement of the Pier Improvements; and (c) the repair and maintenance of the rights of way, public parks, paths and trails in the vicinity of the Property as required by the City or as designated by the Declarant or the Association.

Section 8.2 Personal Property and Real Property for Common Use. The Association may acquire, hold and dispose of tangible and intangible personal property and real property, subject to such restrictions as are set forth in the Governing Documents. The Declarant and its designees may convey to the Association personal property and fee title, leasehold or other interest in any improved or unimproved real property located within the Property. Upon conveyance or dedication by the Declarant to the Association, such property shall be accepted by the Association and thereafter shall be maintained by the Association at its expense for the benefit of its Members, subject to any restrictions set forth in the deed of conveyance. Upon written request of the Declarant, the Association shall reconvey to Declarant for no or nominal monetary consideration any unimproved portions of the Property originally conveyed by Declarant to the Association for no or nominal monetary consideration, to the extent conveyed in error or needed by Declarant to make minor adjustments in property lines.

Section 8.3 Constitution of the Board of Directors.

(a) Prior to the expiration of the Development Period, the affairs of the Association shall be managed by a Board consisting of three (3) individuals, all of whom shall be appointed by the Class B Member.

(b) From and after the expiration of the Development Period, the affairs of the Association shall be managed by a Board consisting of five (5) individuals, all of whom shall be elected by the Class A Members.

(c) The Directors need not be Members of the Association. Other than the Board serving during the Development Period and the Board to be elected immediately following the expiration of the Development Period, Directors shall be elected for two (2) year terms of office and shall serve until their respective successors are elected and qualified. The terms of office for the Directors constituting the Board elected immediately following the expiration of the Development Period shall be one (1) year for two (2) of the Directors and two (2) years for the other three (3) Directors. Any vacancy which occurs in the Board, by reason of death, resignation, removal, or otherwise of a Director appointed by the Class B Member or elected by the Class A Members, may be filled at any meeting of the Board by the affirmative vote of a majority of the remaining Directors. Any Director elected to fill a vacancy shall serve in such capacity until the expiration of the term of the Director whose position he or she was elected to fill.

Section 8.4 Powers and Duties.

(a) The affairs of the Association shall be conducted by its Board. The Board, for the benefit of the Association, the Members, the Owners and the Residents, may provide and may pay for, out of the Assessments provided for in Article V, costs and expenses incurred in connection with the affairs of the Association. If for any reason during the Development Period, the Board is not deemed authorized to act for and on behalf of the Association, and the Members, Owners and Residents, then the Declarant may exercise the powers and authority granted under this Section 8.4(a), to act for and on behalf of the Association, the Members, the Owners and the Residents, and the Association shall reimburse the Declarant for any and all reasonable expenses incurred in so acting.

(b) The Board may provide and may pay for, out of the Assessments provided for in Article V, one or more of the following:

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

(ii) Recreational and social programs and activities for the general benefit of the Residents and programs which are designed only for separately identifiable sub-groups of Residents, such as (but not limited to) infants, adolescents, teenagers, students, mothers and senior citizens;



(iii) Supplementing (to the extent, if any, deemed necessary, appropriate and affordable by the Board) the police, fire, ambulance, garbage and trash collection and similar services within the Property traditionally provided by local governmental agencies;

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

(v) The services of any Person (including the Declarant and any affiliates of the Declarant) to manage the Association or any separate portion thereof, to the extent deemed advisable by the Board, and the services of such other personnel as the Board shall determine to be necessary or proper for the operation of the Association, whether such personnel are employed directly by the Board or by the manager of the Association, including the hiring and employment of one or more managers, secretarial, clerical, staff and support employees;

(vi) Such fidelity bonds as the Board may determine to be advisable;

(vii) Legal and accounting services (including audit fees) and all costs and expenses reasonably incurred by the Board; and

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

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

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

(ii) To enter into agreements or contracts with insurance companies, Taxing Authorities, the holders of first mortgage liens on individual Lots and utility companies with respect to (A) any taxes on the Common Property, (B) monthly escrow and impound payments by a mortgagee regarding the assessment, collection and disbursement process envisioned by Article V, (C) utility installation, consumption and service matters, and (D) the escrow or impounding of monies sufficient to timely pay the Annual Assessment applicable to any Lot;

(iii) To borrow funds (including, without limitation, the borrowing of funds from the Declarant and/or its affiliates) to pay costs of operation, secured by such assets of the Association as deemed appropriate by the lender and the Association;

(iv) To enter into contracts, maintain one or more bank accounts and, generally, to have all the powers necessary or incidental to the operation and management of the Association;

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

(vi) To make reasonable rules and regulations for the operation of the Common Property and to amend them from time to time and to enter into concession agreements regarding, food, beverage, vending and other products and services within the Common Property;

(vii) To prepare an annual operating budget and to make available for review by each Owner, upon the written request of the Owner desiring such review, at the Association offices within ninety (90) days after the end of each Fiscal Year an annual report;

(viii) Pursuant to Article IX of this Declaration, to adjust the amount, collect and use any insurance proceeds to repair damaged or replace lost property; and if proceeds are insufficient to repair damaged or replace lost property, to assess the Owners to cover the deficiency;

(ix) To provide adequate reserves for maintenance, repairs, operations, taxes and assessments for the Common Property;

(x) To engage the services of attorneys and accountants (including an annual audit) in connection with the business of the Association;

(xi) To enforce the provisions of this Declaration and any rules made hereunder or by the Board and to enjoin and seek damages from any Owner, Member or Resident for violation of such provisions or rules;

(xii) To enter into an agreement with Briarwood Management, Inc. or its successor or assign to assume the obligations of Briarwood Management, Inc. under that certain Maintenance Agreement dated February 9, 2004, by and between Briarwood Management, Inc. and the City, reference to which is hereby made for all purposes, and to perform all obligations arising thereunder and/or to reimburse Briarwood Management, Inc. or its successor or assign for all costs and expenses incurred by Briarwood Management, Inc. or its successor or assign in connection therewith; and

(xiii) To enter into an agreement with Declarant or its successor or assign to assume the obligations of Declarant under that certain Lake Use Agreement dated February 9, 2004, by and between Declarant and the City, reference to which is hereby made for all purposes, and to perform all obligations arising thereunder.

(d) The Board is specifically authorized and empowered to establish (and to revise and amend from time to time) a monetary "fines" system which may include component steps such as warning citations, ticketing, due process hearings and appeals and a flat rate or discretionary range or geometric progression of fine amounts, which, when pronounced, shall constitute a Charge secured by the continuing Assessment Lien herein established.

(e) The Association may (i) borrow monies from the Declarant; (ii) lease equipment from the Declarant; (iii) contract with the Declarant concerning the provision of any personnel, labor, supplies, materials and services, provided such contract terms and conditions are (A) generally comparable (in terms of price, quality and timeliness) with those that might be otherwise obtained from unrelated third parties, and (B) as to professional management contracts, terminable by the Association at any time for any reason whatsoever and without penalty upon furnishing at least ninety (90) days advance notice thereof to the Declarant. The Board shall not be required to solicit bids from unrelated third parties before entering into any contract with the Declarant and the reasonable judgment and resolution of the Board to enter into any such contract with the Declarant (absent fraud, gross negligence or willful misconduct) shall be final and conclusive and binding upon the Association and all of its Members.

#### Section 8.5 Duties of the Board of Directors with Respect to Assessments.

(a) In the event of a revision to the amount or rate of the Annual Assessment for the prior Fiscal Year or the establishment of a Special Assessment, the Board shall fix the amount of the Assessment in question against each Lot and the applicable due date(s) for each Assessment, at least thirty (30) days in advance of such date or period, and shall, at that time, prepare a roster of the Lots and Assessments applicable thereto which shall be kept in the office of the Association.

(b) The Board shall, upon reasonable demand, furnish to any Owner originally liable for any Assessment, a certificate in writing signed by an officer of the Association or the Managing Agent, setting forth whether the Assessment in question has been paid. Such certificate shall be conclusive evidence of payment of any Assessment therein stated to have been paid. A reasonable charge may be made by the Board for the issuance of such certificate.

(c) The Board, upon written request of an Owner, Owner's agent or title insurance company or its agent acting on behalf of an Owner and subject to collection of the fee set forth in Section 5.5 of this Declaration, shall deliver to the Owner, Owner's agent or title insurance company or its agent acting on behalf of an Owner the subdivision information and resale certificate (and any update thereto) required pursuant to Chapter 207 of the Texas Property Code and any amendments thereto.

Section 8.6 Maintenance Contracts. The Board, on behalf of the Association, shall have full power and authority to contract with any Owner, Member or Resident (including, without limitation, the Declarant) for performance, on behalf of the Association, of services which the Association is otherwise required to perform pursuant to the terms hereof, such contracts to be upon

such terms and conditions and for such consideration as the Board may deem proper, advisable and in the best interests of the Association.

Section 8.7 Liability Limitations. NEITHER ANY OWNER, MEMBER OR RESIDENT NOR THE DECLARANT, ANY GENERAL PARTNER OF DECLARANT, ANY OFFICER, DIRECTOR, MANAGER, PARTNER, MEMBER, EMPLOYEE OR AGENT OF DECLARANT OR ANY GENERAL PARTNER OF DECLARANT, OR ANY DIRECTOR, OFFICER OR MANAGER OF THE ASSOCIATION, INCLUDING, WITHOUT LIMITATION, THE MANAGING AGENT, SHALL BE PERSONALLY LIABLE FOR DEBTS CONTRACTED BY OR OTHERWISE INCURRED BY THE ASSOCIATION OR FOR ANY TORT COMMITTED BY OR ON BEHALF OF THE ASSOCIATION, INCLUDING, WITHOUT LIMITATION, ANY NEGLIGENCE, OR FOR A TORT OF ANOTHER OWNER, MEMBER OR RESIDENT, INCLUDING, WITHOUT LIMITATION, ANY NEGLIGENCE, WHETHER SUCH OWNER, MEMBER OR RESIDENT WAS ACTING ON BEHALF OF THE ASSOCIATION OR OTHERWISE. NEITHER THE DECLARANT, ANY GENERAL PARTNER OF DECLARANT, OR THE ASSOCIATION, NOR THE DIRECTORS, OFFICERS, MANAGERS, PARTNERS, MEMBERS, EMPLOYEES OR AGENTS OF ANY OF THEM, SHALL BE LIABLE FOR ANY ACTUAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES FOR FAILURE TO INSPECT ANY LOT OR COMMON PROPERTY OR THE IMPROVEMENTS LOCATED THEREON OR ANY PORTION THEREOF OR FOR FAILURE TO REPAIR OR MAINTAIN THE SAME, INCLUDING, WITHOUT LIMITATION, ANY DAMAGES ARISING OUT OF THE NEGLIGENCE OF ANY OF SUCH PARTIES. NEITHER THE DECLARANT, ANY GENERAL PARTNER OF DECLARANT, OR THE ASSOCIATION, NOR THE DIRECTORS, OFFICERS, MANAGERS, PARTNERS, MEMBERS, EMPLOYEES OR AGENTS OF ANY OF THEM, SHALL BE LIABLE FOR ANY PERSONAL INJURY OR OTHER ACTUAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES OCCASIONED BY ANY ACT OR OMISSION IN THE REPAIR OR MAINTENANCE OF ANY LOT OR COMMON PROPERTY OR ANY IMPROVEMENT LOCATED THEREON OR ANY PORTION THEREOF, INCLUDING, WITHOUT LIMITATION, ANY DAMAGES ARISING OUT OF THE NEGLIGENCE OF ANY OF SUCH PARTIES.

Section 8.8 Reserve Funds. The Board may establish Reserve Funds (herein so called) which may be maintained and accounted for separately from other funds maintained for annual operating expenses and may establish separate, irrevocable trust accounts or any other recognized bookkeeping or tax procedures in order to better demonstrate that the amounts deposited therein are capital contributions and not net or taxable income to the Association.

Section 8.9 Powers of the Board Relating to Subdivisions. The Board shall have the power to veto any action taken or contemplated to be taken by any Subdivision Association that the Board reasonably determined to be adverse to the interests of the Association or its Members. The Association shall also have the power to require action to be taken by any Subdivision Association in connection with its obligations and responsibilities, such as requiring specific maintenance or repairs or aesthetic changes to be undertaken and requiring that a proposed budget include certain items and that expenditures be made therefor. A Subdivision Association shall take the action specified by the Association in a written notice within the reasonable time frame set by the Association in the notice. If the Subdivision Association fails to comply, the Association shall have the right to take such action on behalf of the Subdivision Association and levy Special Assessments to cover the costs thereof, as well as impose an administrative charge and sanctions.

Section 8.10 Security. The Association may, but shall not be obligated to, maintain or support certain activities within the Property designed to enhance the security of the Property. NEITHER DECLARANT, ANY GENERAL PARTNER OF DECLARANT, ANY OFFICER, DIRECTOR, MANAGER, PARTNER, MEMBER, EMPLOYEE OR AGENT OF DECLARANT OR ANY GENERAL PARTNER OF DECLARANT, OR ANY DIRECTOR, OFFICER OR MANAGER OF THE ASSOCIATION, INCLUDING, WITHOUT LIMITATION, THE MANAGING AGENT, SHALL IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF SECURITY WITHIN THE PROPERTY, NOR SHALL SUCH PARTIES BE HELD LIABLE FOR ANY LOSS OR DAMAGE FOR FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. NEITHER DECLARANT, ANY GENERAL PARTNER OF DECLARANT, ANY OFFICER, DIRECTOR, MANAGER, PARTNER, MEMBER, EMPLOYEE OR AGENT OF DECLARANT OR ANY GENERAL PARTNER OF DECLARANT, OR ANY DIRECTOR, OFFICER OR MANAGER OF THE ASSOCIATION, INCLUDING, WITHOUT LIMITATION, THE MANAGING AGENT, NOR THE DESIGN REVIEW COMMITTEE MAKE ANY REPRESENTATION OR WARRANTY THAT ANY SYSTEMS OR MEASURES, INCLUDING ANY MECHANISM, DEVICE OR PERSON EMPLOYED TO LIMIT OR RESTRICT ACCESS TO THE PROPERTY CANNOT BE COMPROMISED OR CIRCUMVENTED; OR THAT ANY SUCH SYSTEMS OR SECURITY MEASURES UNDERTAKEN WILL IN ANY CASE PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED. EACH OWNER, RESIDENT AND ALL TENANTS, GUESTS AND INVITEES OF ANY OWNER OR RESIDENT, ACKNOWLEDGE AND UNDERSTAND THAT DECLARANT, ANY GENERAL PARTNER OF DECLARANT, ANY OFFICER, DIRECTOR, MANAGER, PARTNER, MEMBER, EMPLOYEE OR AGENT OF DECLARANT OR ANY GENERAL PARTNER OF DECLARANT, ANY DIRECTOR, OFFICER OR MANAGER OF THE ASSOCIATION, INCLUDING, WITHOUT LIMITATION, THE MANAGING AGENT, ARE NOT INSURERS AND THAT EACH PERSON WITHIN THE PROPERTY ASSUMES ALL RISKS FOR PERSONAL INJURY AND LOSS OR DAMAGE TO PROPERTY, INCLUDING LOTS AND THE CONTENTS THEREOF, RESULTING FROM ACTS OF THIRD PARTIES.

Section 8.11 Use of Recreational Facilities. Each Owner acknowledges that certain recreational facilities may be provided within the Common Property for the use and enjoyment of the Owners and Residents, and their respective families, tenants, and invitees, including without limitation, Pier Improvements. EACH OWNER HEREBY ACKNOWLEDGES THAT THERE ARE RISKS ASSOCIATED WITH THE USE OF ANY SUCH RECREATIONAL FACILITIES, INCLUDING WITHOUT LIMITATION, PIER IMPROVEMENTS, AND THAT ALL USERS OF SUCH FACILITIES ARE SOLELY RESPONSIBLE FOR SUCH RISK. EACH OWNER, BY ACCEPTING A DEED TO A LOT, ACKNOWLEDGES THAT SUCH OWNER HAS NOT RELIED UPON THE REPRESENTATIONS OF DECLARANT OR THE ASSOCIATION WITH RESPECT TO THE SAFETY OF ANY RECREATIONAL FACILITIES OR OTHER COMMON PROPERTY WITHIN THE PROPERTY, INCLUDING WITHOUT LIMITATION, ANY PIER IMPROVEMENTS, AND AGREES TO INDEMNIFY AND HOLD HARMLESS THE DECLARANT, THE ASSOCIATION AND THEIR RESPECTIVE OFFICERS, DIRECTORS, MANAGERS, PARTNERS, MEMBERS, EMPLOYEES AND AGENTS ARISING OUT OF OR IN CONNECTION WITH THE USE OF ANY SUCH RECREATIONAL FACILITIES, INCLUDING WITHOUT LIMITATION, PIER IMPROVEMENTS, EVEN IF DUE TO THE SOLE

OR CONCURRENT NEGLIGENCE, MISFEASANCE OR MALFEASANCE OF ANY SUCH PARTIES OR OTHERWISE.

The Association may, but shall not be obligated to, contract with, employ or otherwise provide, from time to time, monitoring personnel or equipment to be present or operational at any recreational facility within the Property. Each Owner acknowledges that the presence of such personnel shall not create a duty on the part of Declarant or the Association to provide for, insure or guarantee the safety of any user of the facility. Each Owner acknowledges that the presence of such monitoring personnel shall not in any way alter the risks assumed by each Owner, the Owner's family members, tenants, other Residents of Owner's Lot and guests of any such Persons, which risks shall continue to be assumed by the user of the recreational facility.

Section 8.12 Construction Activities. All Owners are hereby placed on notice that Declarant, any affiliate of Declarant and/or its agents, contractors, subcontractors, licensees and other designees, successors or assignees, may be, from time to time, conducting excavation, construction and other activities within or in proximity to the Property. By the acceptance of a deed or other conveyance or Mortgage, leasehold, license, easement or other interest, and by using any portion of the Property, each Owner automatically acknowledges, stipulates and agrees (a) that none of the aforesaid activities shall be deemed nuisances or noxious or offensive activities, under any applicable covenants or at law generally, (b) not to enter upon, or allow their children or other Persons under their control or direction to enter upon (regardless of whether such entry is trespass or otherwise) any property within or in proximity to any portion of the Property where such activities are being conducted (even if not being actively conducted at the time of entry, such as at night or otherwise during non-working hours), (c) Declarant, any affiliate of Declarant and all of their agents, contractors, subcontractors, licensees and other designees, successors and assignees, shall not be liable but, rather, shall be held harmless, for any and all losses and damages (compensatory, consequential, punitive or otherwise), injuries or deaths arising from or relating to the aforesaid activities, and (d) any purchase or use of any portion of the Property has been and will be made with full knowledge of the foregoing.

Section 8.13 Relation with Other Properties. The Association may enter into contractual agreements or covenants to share costs with any neighboring property, including, without limitation, the Club, to contribute funds for, among other things, shared or mutually beneficial property or services and/or a higher level of Common Property maintenance.

Section 8.14 Facilities and Services Open to the Public. Certain facilities and area within the Property may be open for use and enjoyment of the public, including, by way of example, greenbelts, trails and paths, parks, lakes and other neighborhood areas conducive to gathering of people, roads, sidewalks and medians. Declarant may designate such facilities and areas as open to the public at the time Declarant makes such facilities and areas a part of the Common Property or the Board may so designate any at time thereafter.

Section 8.15 Subdivision's Responsibility. Upon resolution of the Board, or if provided by the Supplemental Declaration pertaining to such Subdivision, the Owners of Lots within each Subdivision shall be responsible for paying, through Subdivision Assessments, the costs of operating, maintaining and insuring certain portion of the Common Property within or adjacent to such Subdivision, including, without limitation, the costs of maintaining any signage, screening

walls, entry features, rights-of-way and open space between the Subdivision and adjacent public roads, Private Streets within the Subdivision, and lakes, ponds or streams within the Subdivision, regardless of ownership and regardless of the fact that such maintenance is being performed by the Association. A Subdivision Association, if any, shall maintain property it owns and any other property of which it has maintenance responsibility in a manner consistent with the Governing Documents.

Section 8.16 Pier Improvements. Upon request by the Owner of any Lake Front Lot, Pier Improvements shall be constructed by the Association for the benefit of the Owners of each Lake Front Lot. Pier Improvements shall be constructed along the common boundary line of two (2) Lake Front Lots, and the Owners of such Lake Front Lots adjacent to such Pier Improvements shall be entitled to use and enjoy the Pier Improvements. The cost and expense of designing, permitting, constructing and completing the Pier Improvements, as determined by the Association, shall be shared equally by the Owner of each Lake Front Lot adjacent to such Pier Improvements. At the request of the Association, the estimated cost of such Pier Improvements shall be deposited by the Owner(s) requesting that the Pier Improvements be constructed with the Association, prior to and as a condition to the obligation of the Association, to construct the Pier Improvements. The costs incurred in connection with the construction, maintenance, repair and/or replacement of the Pier Improvements shall be paid by the Owners of the Lake Front Lots adjacent to such Pier Improvements and shall be Individual Assessments payable by the Owners of such Lake Front Lots. Notwithstanding the foregoing, during the Development Period, the Declarant may, at its option, cause the Pier Improvements to be completed, in which event, the term "Declarant" shall be substituted for the term "Association" where it appears in this Section 8.16, and the Declarant shall be entitled to assess and collect the Individual Assessment payable in connection with such Pier Improvements. In no event will Declarant be responsible for the maintenance, repair or replacement of any Pier Improvements or for any defects therein.

## ARTICLE IX

### INSURANCE; REPAIR; RESTORATION

Section 9.1 Right to Purchase Insurance. The Association shall have the right and option to purchase, carry and maintain in force insurance covering any or all portions of the Common Property, any improvements thereon or appurtenant thereto, for the interest of the Association, its Board, officers, managers, agents and employees, and of all Members of the Association, in such amounts and with such endorsements and coverage as shall be deemed appropriate by the Board. Such insurance may include, but need not be limited to:

- (a) Insurance against loss or damage by fire and hazards covered by a standard extended coverage endorsement in an amount which shall be equal to the maximum insurable replacement value, excluding foundation and excavation costs;
- (b) General liability and property damage insurance on a broad form basis, including coverage of personal liability (if any) of the Board, and the Owners, Members and Residents with respect to the Common Property;

(c) Fidelity bonds for all officers and employees of the Association having control over the receipt or disbursement of funds; and

(d) Liability insurance regarding the errors and omissions of Directors, officers, managers, employees and representatives of the Association.

Section 9.2 Insurance and Condemnation Proceeds. The Association shall be the exclusive representative of the Owners, Members and Residents in any proceedings, negotiations, settlements or agreements concerning insurance or condemnation with respect to the Common Property. The Association and the Members may use the net insurance or condemnation proceeds to repair and replace any damage or destruction of property, real or personal, covered by such insurance or condemnation. Any balance from the proceeds of insurance or condemnation paid to the Association, remaining after satisfactory completion of repair, restoration and replacement or after the Board has elected to waive the repair, restoration or replacement, shall be retained by the Association as part of a general reserve fund for repair, restoration, maintenance and replacement of the Common Property.

Section 9.3 Insufficient Proceeds. If the insurance or condemnation proceeds are insufficient to repair or replace any loss or damage, the Association may levy a Special Assessment as provided for in Section 5.7 of this Declaration to cover the deficiency.

Section 9.4 Liability Insurance Arrangements. The Association will seek to carry public liability insurance generally covering bodily injury and property damage arising out of negligent acts by employees, Members or authorized representatives of the Association. The Declarant and Association will not carry any insurance pertaining to, nor does it assume any liabilities or responsibility for, the real or personal property of the Owners, Members and Residents (and their respective family members and guests). Each Owner, Member or Resident expressly understands, covenants and agrees with the Declarant and the Association that:

(a) neither the Declarant nor the Association has any responsibility or liability of any kind or character whatsoever regarding or pertaining to the real and personal property of any Owner, Member and Resident; and

(b) each Owner, Member and Resident shall, from time to time and at various times, consult with reputable insurance industry representatives of each Owner's, Member's and Resident's own selection to select, purchase, obtain and maintain appropriate insurance providing the amount, type and kind of insurance deemed satisfactory to each Owner, Member and Resident covering his or her real and personal property.

## ARTICLE X

### EASEMENTS

Section 10.1 Utilities. Easements for the installation and maintenance of utilities and drainage facilities shall be reserved as shown on the Plat. Utility service may be installed along or near the front and/or side and/or rear Lot lines and each Lot Owner shall have the task and responsibility of determining the specific location of all such utilities. Except as may be otherwise



permitted by the Design Review Committee (e.g. fencing, flatwork, landscaping, etc.), an Owner shall neither erect, construct or permit any obstructions or permanent Improvements of any type or kind to exist within any easement area, nor shall anything be done or permitted within an easement area which would restrict or adversely affect drainage. Electrical (and possibly other utility) easements may be located at, near or along the front or rear lot line(s), and each Lot Owner assumes full, complete and exclusive liability and responsibility for all cost and expense related to damage, repair, relocation and restoration of any Improvements or fence located within the easement area. Except as to special street lighting or other aerial facilities which may be required by the City or which may be required by the franchise of any utility company or which may be installed by the Declarant pursuant to its development plan, no aerial utility facilities of any type (except meters, risers, service pedestals and other surface installations necessary to maintain or operate appropriate underground facilities) shall be erected or installed within the Property whether upon individual Lots, easements, streets or rights-of-way of any type, either by the utility company or any other Person, including, but not limited to, any Person owning or acquiring any part of the Property, and all utility service facilities (including, but not limited to, water, sewer, gas, electricity and telephone) shall be buried underground unless otherwise required by a public utility. The foregoing notwithstanding, aerial utility facilities may be required to deliver services to the property line of the Property. All utility meters, equipment, air conditioning compressors, pool equipment and similar items must be visually screened and located in areas designated by the Design Review Committee. Full rights of ingress and egress shall be had by the Declarant, the Association, and all utility companies serving the Property, and their respective successors and assigns, at all times over the Property for the installation, operation, maintenance, repair or removal of any utility together with the right to remove any obstruction (excluding, however, any driveway, fence or other Improvement or Structure which has been theretofore specifically approved by the Design Review Committee or the Board) that may be placed in such easement that would constitute interference with the use of such easement, or with the use, maintenance, operation or installation of such utility.

Section 10.2 Ingress, Egress and Maintenance by the Association. Full rights of ingress and egress shall be had by the Association at all times over and upon the Property for the carrying out by the Association of its functions, duties and obligations hereunder; provided, however, that any such entry by the Association upon any Lot shall be made with as little inconvenience to the Owner as practical, and any damage caused thereby shall be repaired by the Association at the expense of the Association.

Section 10.3 Additional Easements. The Declarant reserves for itself and its successors, assigns and designees the nonexclusive right and easement over the Property to the extent reasonably necessary for the purpose of installing, replacing, repairing and maintaining utilities and roads, walkways, bicycle and pedestrian pathways, trails, lakes, ponds, wetlands, drainage systems, street lights and any other facilities constituting Common Property. Notwithstanding anything to the contrary, these easements shall not entitle the holders thereof to construct or install any of the foregoing facilities over, under or through any existing Residence on a Lot and any damage to a Lot resulting from the exercise of these easements shall promptly be repaired by, and at the expense of, the Person exercising these easements. The exercise of these easements shall not unreasonably interfere with the use of any Lot by the Owner or Resident thereof.

Section 10.4 Private Streets. If any portion of the Property is established as a Private Street, as provided herein, the following shall be applicable thereto:

(a) All Private Streets situated from time to time within the Property shall be owned by the Association; provided, however, that neither the Declarant nor the Association makes any commitment nor shall either be under any obligation whatsoever to assure that the Private Streets located within the Property will at all times remain private. The Declarant and the Association expressly reserve the right at any time or from time to time to dedicate all or any portion of the Private Streets located within the Property to the City, County or any other governmental or quasi governmental authority or special district. All Private Streets located within the Property shall at all times be subject to the lawful exercise by the City and/or County of its police powers.

(b) The Association shall, and has the sole responsibility to, maintain the Private Streets located within the Property, in a condition not less than the minimum standards required for Public Streets in the City and or County. All costs and expenses incurred by the Association in maintaining the Private Streets shall be paid from funds generated by the Assessments provided for in this Declaration.

(c) Non-exclusive easements are hereby reserved for the benefit of, and granted to, the City, County, all providers of utility services within the Property, and all other governmental providers of the Property (including, without limitation, the U.S. Postal Service), to enter onto and use the Private Streets for the provision of all governmental and utility services necessary and/or required for the benefit of the Owners in the proper exercise of governmental functions and the providing of utility services, including, without limitation, the right of the City and/or County to remove any vehicle or obstacle from the Private Streets that impairs emergency access.

(d) The City, County or any other governmental or quasi governmental authority or special district and all public utility entities providing utility service to the Property shall have the right to use the Private Streets to construct, install, maintain, operate, inspect, remove and reconstruct the facilities, equipment and systems that serve the Property; however, each such Person shall repair any damage to the pavement or other improvements on the Private Streets resulting from any such installation, maintenance, reconstruction or such other work.

(e) If the Association maintains mechanism(s) to control access to the Private Streets, the Association shall maintain such mechanism(s) in good operating condition so as to allow twenty-four (24) hour access to the Private Streets by the City, County and the providers of utility services to the Property.

(f) Declarant, during the Development Period, and from and after the expiration of the Development Period, the Association, after having obtained the approval of Class A Members in good standing holding at least fifty-one percent (51%) of the votes entitled to be cast by Class A Members, shall have the right to dedicate to the City, County or any other governmental or quasi governmental authority or special district all or a portion of the Private Streets located within the Property as Public Streets.

Section 10.5 Easements for Lakes, Pond Maintenance and Flood Water.

(a) The Declarant reserves for itself and its successors, assigns and designees the nonexclusive right and easement, but not the obligation, to enter upon the lakes, ponds, streams and wetlands located within the Common Property to (i) install, keep, maintain and replace pumps and related equipment; (ii) construct, maintain and repair any bulkhead, levee, wall, dam or other structure retaining wall, and (iii) remove trash and other debris therefrom and fulfill their maintenance responsibilities as provided in this Declaration. The Declarant's rights and easements provided in this Section shall be transferred to the Association at such time as the Declarant shall cease to own any property subject to the Declaration, or such earlier time as Declarant may elect, in its sole discretion, to transfer such rights by a written instrument. The Declarant, the Association and their designees shall have an access easement over and across any of the Property abutting or containing any portion of any of the lakes, ponds, streams, or wetlands to the extent reasonably necessary to exercise their rights under this Section.

(b) There is further reserved herein for the benefit of Declarant, the Association and their designees, a perpetual, non-exclusive right and easement of access and encroachment over the Common Property and Lots (but not the Residences thereon) adjacent to or within fifty (50) feet of lake beds, ponds and streams within the Property, in order to (i) temporarily flood and back water upon and maintain water over such portions of the Property, (ii) fill, drain, dredge, deepen, clean, fertilize, dye and generally maintain the lakes, ponds, streams and wetlands within the Common Property, (iii) maintain and landscape the piers, slopes and banks pertaining to such lakes, ponds, streams and wetlands, and (iv) enter upon and across such portions of the Property for the purpose of exercising its rights under this Section. All Persons entitled to exercise these easements shall use reasonable care in, and repair any damage resulting from the intentional exercise of such easements. Nothing herein shall be construed to make Declarant or any other Person liable for damage from flooding due to heavy rainfall or other natural disasters.

(c) All lakes and wetlands within the Property are designed as water management areas and not for aesthetic features. Because of fluctuations in water elevations within the immediate area, the water level of lakes, creeks, and streams will rise and fall. Declarant has no control over such elevations. Therefore, each Owner releases Declarant and its successors and assigns, from and against any and all losses, claims, demands, damages, costs and expenses of whatever nature or kind, including attorney's fees and costs and appellate fees and costs, related to or arising out of the water elevations, including the absence of any water in the lakes, creeks, streams and ponds. Neither the Association nor any Owner shall alter, modify, expand, or fill any lakes or wetlands located on or in the vicinity of the Property, without the prior written approval of the Declarant during the Development Period, and such local, state, and federal authorities as may have jurisdiction over such matters.

Section 10.6 Easements to Serve Additional Property. The Declarant and its duly authorized agents, representatives and employees, as well as its successors, assigns, licensees and mortgagees, shall have and hereby reserve an easement over the Common Property for the purpose of enjoyment, use, access and development of the real property entitled to be annexed by Declarant pursuant to Article II, whether or not such additional property is made subject to this Declaration.

This easement includes, but is not limited to, a right of ingress and egress over the Common Property for construction of roads and for connection and installing utilities on the additional property.

Section 10.7 Declarant's Reserved Easements. Notwithstanding any provisions contained herein to the contrary, Declarant hereby expressly reserves unto itself and its successors and assigns a non-exclusive, perpetual right, privilege and easement with respect to the Property for the benefit of Declarant and its successors and assigns and their designees over, under, in and on the Property, without obligation and without charge to Declarant, for the purposes of construction, installation, relocation, development, sale, maintenance, repair, replacement, use and enjoyment and otherwise dealing with the Property and any other property now owned or which may in the future be owned by Declarant (collectively, "Declarant's Reserved Easements"). Declarant's Reserved Easements shall include, but shall not be limited to:

- (a) the right of access, ingress and egress for vehicular and pedestrian traffic over, under, on and in all or any portion of the Property, and the right to tie into any portion of the Property with driveways, parking areas, Private Streets, the drainage system and walkways; and the right to tie into and/or otherwise connect and use (without a tap or any other fee for so doing), replace, relocate, maintain and repair any devise which provides utility or similar services, including, without limitation, electrical, telephone, natural gas, water, sewer and drainage lines and facilities constructed or installed in, on, under and/or over all or any portion of the Property;
- (b) the right to construct, install, replace, relocate, maintain, repair, use and enjoy signs, model residences, sales offices, construction offices and business offices as, in the sole opinion of Declarant, may be required, convenient or incidental to the construction and sale by Declarant of Lots or Residences in all or any portion of the Property;
- (c) the right to maintain a sales and marketing office for the Property within the Common Property during the Development Period without cost to Declarant; and
- (d) the right to the use of the name "Cascades" or any derivative of such name, and no Person shall use the name "Cascades" or any derivative of such name in any printed or promotional material without Declarant's prior written consent. However, Owners within the Association may use the name "Cascades" in printed or promotional material where such term is used solely to specify that particular property is located within the Property and the Association and the Club Owner shall be entitled to use the words "Cascades" in their names.

No rights, privileges and easements granted or reserved herein shall be merged into the title of any property within the Property, but shall be held independent of such title, and no such right, privilege or easement shall be surrendered, conveyed or released unless and until and except by delivery of a quitclaim deed from Declarant releasing such right, privilege or easement by express reference thereto with respect to all or any portion of the Property. Declarant may grant to a Builder within the Property similar rights as granted to Declarant in (b) and (c).

Section 10.8 Zero Lot Line Easement. The following provisions shall be applicable with respect to any Lots within the Property having a zero lot line side, as designated by Declarant, the Design Review Committee or in the Plat relating to such Lot. One side wall (the "Zero Lot Line

Wall") of each Residence on any such Lot shall be constructed on or adjacent to one of the common boundary lines between two (2) adjoining Lots. In order to facilitate the construction and maintenance of Residences in the manner contemplated herein, but subject to the terms of and limitations set forth on the Plat and to applicable City construction requirements, Declarant reserves for the benefit of itself and each Owner:

(a) an easement six (6) inches in width for the benefit of each Lot on which a Zero Lot Line Wall is constructed over the adjoining Lot along the boundary line on which the Zero Lot Line Wall is constructed for the construction, location, maintenance, repair and replacement of minor encroachments of the Zero Lot Line Wall and appurtenant footings, slabs and foundations which are installed as a part of the original construction of a Residence upon any Lot;

(b) an easement twenty-four (24) inches in width for the benefit of each Lot on which a Zero Lot Line Wall is constructed over the adjoining Lot along the boundary line on which the Zero Lot Line Wall is constructed for the construction, location, maintenance, repair and replacement of overhangs, caves and gutters which are installed as a part of the original construction of a Residence upon any Lot;

(c) an easement for the benefit of each Lot located adjacent to a Zero Lot Line Wall in order to permit the Owner of such adjacent Lot to construct a fence in, and otherwise use and enjoy, the area located between the boundary line of such adjacent Lot and the Zero Lot Line Wall at a point commencing at the corner of the Zero Lot Line Wall located nearest to the front street and continuing along the line established by the Zero Lot Line Wall to the rear property line of the Lot on which the Zero Lot Line Wall is constructed; and

(d) an access and temporary construction easement for the benefit of each Lot over the adjoining Lot in connection with: (i) the exercise of the easements described in subparagraphs (a) through (c) above; and (ii) the placement of scaffolding and the like as needed during the original construction, and for the maintenance, repair and replacement, of a Residence upon the benefitted Lot; provided, that:

(i) except as hereinafter provided, such easements shall be subject to and shall be exercised in such a manner as to minimize interference with any Improvements or Structures which are located in the easement area prior to construction of the encroaching Improvement or the commencement of the activity in question; and

(ii) notwithstanding the preceding subsection (i), in connection with the initial construction of the structure containing the Zero Lot Line Wall, any fencing on the adjoining Lot may be removed during the construction process as long as, except with respect to the portion of such fencing which is replaced by the Zero Lot Line Wall, such fencing is replaced within ten (10) days after construction of such structure is completed.

Each Owner shall, at its sole cost and expense, maintain and repair any of its improvements which protrude over and across the Lot of any other Owner. If the responsible Owner fails to do so,

the other Owner may, but shall not be obligated to, maintain and repair such improvements at the expense of the responsible Owner upon thirty (30) days prior written notice, except in the case of an emergency, in which event no written notice shall be required. The costs and expenses incurred in the maintenance and repair of such improvements shall be paid by the responsible Owner within fifteen (15) days after demand therefor.

## ARTICLE XI

### CLUB

Section 11.1 Club. The Property is adjacent to the Club. The Club is not a part of the Common Property. Nothing in this Declaration nor any designation or reference on any Plat, planned unit development document, approval document issued by any governmental entity, drawing, advertisement, brochure, or any other document in any way relating to the Property or any oral representation of any agent of the Declarant or any party related to Declarant shall give rise to any right, whether express or implied, of an Owner to play golf, have access to the Club, become a member of the Club, require the Declarant to construct or maintain the area as a golf course, or otherwise impose any obligation on Declarant relating in any way to the Club. All arrangements relating to any Owner and the Club must be in writing signed by the owner or operator of the Club and shall be separate and apart from the Governing Documents. The foregoing will not limit the obligations of Owners pursuant to Section 11.2 below. The Club Owner has the exclusive right to determine from time-to-time, in its sole discretion and without notice or approval of any change, how and by whom the Club shall be used. By way of example, but not limitation, the Club Owner has the right to approve users and determine eligibility for use, to reserve use rights for future purchasers of Lots, to terminate any or all use rights, to change, eliminate or cease operation of any or all of the Club, to transfer any or all of its rights to the Club or the operation thereof to anyone and on any terms which it deems appropriate, to limit the availability of use privileges, and to require the payment of a purchase price, initiation fee, membership deposit, dues and other charges for use privileges. OWNERSHIP OF A LOT OR ANY PORTION OF THE PROPERTY OR MEMBERSHIP IN THE ASSOCIATION DOES NOT GIVE ANY VESTED RIGHT OR EASEMENT, PRESCRIPTIVE OR OTHERWISE, TO USE THE CLUB, OR TO ACQUIRE A MEMBERSHIP IN THE CLUB AND DOES NOT GRANT ANY OWNERSHIP OR MEMBERSHIP INTEREST IN THE CLUB.

Section 11.2 Club Membership. Subject to the rights of the Club Owner as described in Section 11.1 above, Declarant hereby covenants and agrees, for the benefit of the Club Owner, the Owner of each Lot within a Residential Parcel (other than Declarant) shall maintain in effect at all times one or more Club Memberships, as offered by the Club, at a level of membership as selected by the applicable Lot Owner (to the extent offered by the Club). Declarant may require that the Owners of Commercial Parcels, Condominium Parcels and/or Multifamily Parcels maintain one or more Club Memberships by so providing in the Supplemental Declaration annexing such parcel to the scheme of this Declaration. Each Owner shall pay all dues and charges and comply with all rules and regulations of the Club, as amended from time to time by the Club Owner. Nothing contained herein shall require the Club Owner to permit any Owner to continue any Club Membership purchased by such Owner, and the Club Owner shall be entitled to cancel one or more Club Memberships at its option. The provisions of this paragraph shall inure to the benefit of and may be enforced by the Club Owner, and may not be amended without the prior written approval of the Club Owner. Notwithstanding the foregoing, if the Club elects to require members to purchase an equity membership in the Club or to pay a membership purchase price, membership contribution or other lump sum fee or amount to be a member in the Club (other than monthly dues and charges), the requirement that each Owner maintain a membership in the Club will no longer be applicable.

Section 11.3 Covenants Regarding Club. The Declarant, for each Lot owned by it within the Property, hereby covenants and agrees, and each Owner of any Lot, by acceptance of a Deed therefor, whether or not reference to the Covenants shall be so expressed in any such Deed or other conveyance, shall be deemed to have covenanted and agreed as follows:

(a) That privileges to use the Club shall be subject to the terms and conditions of the membership documents for the Club, as the same may be amended from time-to-time (the "Membership Plan Documents"). Notwithstanding the fact that the Club is open space or a recreation area for purposes of applicable zoning ordinances and regulations, each Owner releases and discharges forever the Declarant, the Club Owner and their partners, officers, directors, employees, agents and affiliates, from: (1) any claim that the Club is, or must be, owned and/or operated by the Association or the Declarant, and (2) any claim that the Owners are entitled to use the Club by virtue of their ownership of a Lot without acquiring a membership in the Club, paying the applicable membership contribution or membership deposit, and dues, fees and charges established by the Club Owner from time-to-time, and complying with the terms and conditions of the Membership Plan Documents for the Club. The Club does not currently sell equity memberships in the Club. Payment of dues and other charges only permits use of the Club at the applicable level of membership. The Club may determine to sell equity memberships and in connection therewith, to terminate and cancel all existing memberships in the Club.

(b) Each Owner and the Association shall jointly and severally indemnify, defend, and hold harmless the Declarant, its partners, employees, agents, directors, shareholders, officers and affiliates and their successors and assigns, against and in respect of, and to reimburse the Declarant, its partners, employees, agents, directors, shareholders, officers and affiliates on demand for, any and all claims, demands, losses, costs, expenses, obligations, liabilities, damages, recoveries and deficiencies, including, but not limited to, interest, penalties, attorney and paralegal fees and disbursements (even if incident to any appeals), that the Declarant, its partners, employees, agents, directors, shareholders, officers and affiliates shall incur or suffer, which arise out of, result from, or relate to any claim that because the Club is deemed to be open space or a recreation area for purposes of applicable zoning ordinances and regulations, the Club must be owned and/or operated by the Association or the Declarant and/or that Owners may use the Club without acquiring a membership in the Club pursuant to the Club's Membership Plan Documents and paying the membership contribution or membership deposit, and dues, fees and charges established by the Club Owner from time-to-time.

(c) Any entry upon the Club without permission of the Club Owner may be deemed a trespass, and each Owner and Resident shall refrain from, and shall cause all their guests and invitees to refrain from, any unauthorized entry upon the Club.

(d) That the proximity of Lots and Common Property to the Club results in certain foreseeable risks, including the risk of damage or injury from errant golf balls, and that each Owner's use and enjoyment of such Owner's Lot and the Common Property may be limited as a result and that neither the Association, Declarant nor the Club Owner shall have any obligation to take steps to remove or alleviate such risk, nor shall they have any liability to any

Owner or Resident of any Lot, their guests or invitees, for damage or injury resulting from errant golf balls being hit upon any Lots or Common Property.

(e) That the Club Owner and its designees may add to, remove or otherwise modify the landscaping, trees, and other features of the Club, including changing the location, configuration, size and elevation of bunkers, fairways and greens and fences, and that neither the Club Owner, Declarant, nor the Association, shall have any liability to Owner as a result of such modifications to the Club.

(f) That there are no express or implied easements over the Club for view purposes, and no guarantee or representation is made by Declarant or any other person that any view over and across the Club will be preserved without impairment, and that neither the Club Owner, Declarant nor the Association shall have any obligation to take any actions, including pruning or thinning trees or other landscaping, to preserve views over the Club.

(g) That no representations or warranties which are inconsistent with this Article, either verbal or written, have been made or are made by Declarant or the Association or by any person acting on behalf of any of the foregoing.

(h) That the Club Owner may own one or more lakes on the Property. Notwithstanding the ownership of such lakes, the Club Owner may use any and all lakes on the Property for the purpose of irrigating and maintaining the Club with the result that the water level in such lakes may from time-to-time vary. Each Owner of a Lot acknowledges such right on the part of the Club Owner and agrees not to commence any cause of action or other proceeding involving the Club Owner based on the exercise of such right or otherwise interfere therewith. In the event there are insufficient water levels to provide the necessary irrigation needs of the Club and all other area of the Property, subject to applicable governmental permits and requirements, the Club shall have first priority of irrigation, followed by the Common Property, and then the Lots.

Section 11.4 Rights of Access and Parking. Declarant grants to the Club Owner and members of the Club (regardless of whether such Persons are Members hereunder), their guests and invitees and the employees, agents, contractors, and designees of the Club Owner, a non-exclusive easement of access and use over all Private Streets located within the Property reasonably necessary to travel to and from adjacent public rights-of-way and the Club, respectively, and further, over those portions of the Property (whether Common Property or otherwise) reasonably necessary to the operation, maintenance, repair, and replacement of the Club. Without limiting the generality of the foregoing, members of the Club and permitted members of the public shall have the right to park their vehicles on the Private Streets located within the Property at reasonable times before, during and after tournaments and other similar functions held at the Club.

Section 11.5 Assumption of Risk and Indemnification. Each Owner, by acceptance of a Deed for a Lot within the Property, acknowledges the inherent dangers associated with living in proximity to the Club, and hereby expressly assumes the risk of personal injury, property damage or other loss caused by maintenance, operation and general use of the Club, including, without limitation, (a) noise from maintenance equipment (it being specifically understood that such maintenance typically takes place around or before sunrise or after sunset); (b) noise caused by



golfers; (c) use of pesticides, herbicides and fertilizers; (d) view restrictions caused by maturation of trees and shrubbery; (e) use of effluent in the irrigation of golf courses; (f) reduction in privacy caused by constant golf traffic on the Club or the removal or pruning of shrubbery or trees on the Club; (g) errant golf balls and golf clubs; and (h) design of the Club. EACH OWNER AGREES THAT NEITHER DECLARANT, ANY SUCCESSOR DECLARANT, ANY BUILDER, THE ASSOCIATION, THE CLUB OWNER NOR THEIR SUCCESSORS OR ASSIGNS, ANY ENTITY MANAGING THE CLUB, ANY OFFICER, DIRECTOR OR PARTNER OF ANY OF THE FOREGOING, OR ANY OFFICER OR DIRECTOR OF ANY PARTNER, OR ANY ORGANIZER OR SPONSOR OF ANY TOURNAMENT OR SPECIAL EVENT (COLLECTIVELY FOR PURPOSES OF THIS SECTION, THE "RELEASED PARTIES") SHALL BE LIABLE TO ANY OWNER CLAIMING ANY LOSS, INJURY OR DAMAGE, INCLUDING, WITHOUT LIMITATION, INDIRECT, SPECIAL OR CONSEQUENTIAL LOSS OR DAMAGE ARISING FROM PERSONAL INJURY, DESTRUCTION OF PROPERTY, LOSS OF VIEW, NOISE POLLUTION, OR OTHER VISUAL OR AUDIBLE OFFENSES, OR TRESPASS OR ANY OTHER ALLEGED WRONG OR ENTITLEMENT TO REMEDY BASED UPON, DUE TO ARISING FROM OR OTHERWISE RELATED TO THE PROXIMITY OF THE OWNER'S LOT OR COMMON PROPERTY TO THE CLUB, THE MANAGEMENT OF THE CLUB, OR THE EXERCISE OF THE EASEMENT RIGHTS SET FORTH IN THIS ARTICLE, EVEN IF SUCH LOSS, DAMAGE OR INJURY IS CAUSED IN WHOLE OR IN PART BY THE NEGLIGENCE OF ANY OF THE RELEASED PARTIES. EACH OWNER HEREBY AGREES TO INDEMNIFY, DEFEND AND HOLD HARMLESS THE RELEASED PARTIES FROM AND AGAINST ANY AND ALL SUCH CLAIMS AS SET FORTH IN THE PRECEDING SENTENCE BY SUCH OWNER OR OWNER'S LESSEES, LICENSEES, GUESTS, INVITEES AND EMPLOYEES AGAINST ANY AND ALL CLAIMS BY OWNER'S GUESTS AND INVITEES, EVEN IF SUCH LOSS, DAMAGE OR INJURY IS CAUSED IN WHOLE OR IN PART BY THE NEGLIGENCE OF ANY OF THE RELEASED PARTIES.

Section 11.6 Easements for Club. The following easements apply only to the Club: (a) the Club Owner, their respective agents, successors and assigns, shall have non-exclusive easements over the Property as necessary for ingress and egress, utilities and such other purposes as may be reasonably necessary or convenient to the establishment, operation, maintenance, repair and replacement of the Club and the benefitted parties shall be obligated to use due care in the exercise of such easement rights; (b) every Lot and the Common Property are burdened with an easement permitting golf balls unintentionally to come upon such areas as set forth in the Plat and an easement for golfers, at reasonable times and in a reasonable manner, to come upon the Common Property or other exterior portions of a Lot to retrieve golf balls; provided, however, if any Lot is fenced or walled, the golfer shall seek the Owner's permission before entry. Under no circumstances shall any of the following Persons be held liable for any damage or injury resulting from errant golf balls or the exercise of this easement: Declarant, the owner(s) of the Club; the Association or its Members (in their capacities as such); any Builder or contractor (in their capacities as such); any officer, director, agent or partner of any of the foregoing, or any officer or director of any partner; (c) any portion of the Property which is immediately adjacent to the Club is hereby burdened with a non-exclusive easement in favor of the Club for over-spray of water, pesticides and chemicals from the irrigation system serving the Club; and (d) the Club Owner, their respective agents, employees, contractors, successors and assigns, shall have a perpetual non-exclusive easement, to the extent reasonably necessary, over the Property for the installation, operation, maintenance, repair,

replacement, observation and control of the entire irrigation system and equipment serving all or portions of the Club.

## ARTICLE XII

### GENERAL PROVISIONS

#### Section 12.1 Power of Attorney.

(a) Each and every Owner, Member and Resident hereby makes, constitutes and appoints the Declarant as his/her/its true and lawful attorney-in-fact, coupled with an interest and irrevocable, for him/her/its and in his/her/its name, place and stead and for his/her/its use and benefit, to do the following:

(i) To exercise, do or perform any act, right, power, duty or obligation whatsoever in connection with, arising out of, or relating to any matter whatsoever involving this Declaration and the Property;

(ii) To sign, execute, acknowledge, deliver and record any and all instruments which modify, amend, change, enlarge, contract or abandon the terms within this Declaration, or any part hereof, with such clause(s), recital(s), covenant(s), agreement(s) and restriction(s) as the Declarant shall deem necessary, proper and expedient under the circumstances and conditions as may be then existing; and

(iii) To sign, execute, acknowledge, deliver and record any and all instruments which modify, amend, change, enlarge, contract or abandon the subdivision plat(s) of the Property, or any part thereof, with any easements and rights to be therein contained as the Declarant shall deem necessary, proper and expedient under the conditions as may then be existing.

(b) The rights, powers and authority of said attorney-in-fact to exercise any and all of the rights and powers herein granted shall commence and be in full force upon recordation of this Declaration in the Records and shall remain in full force and effect thereafter until conclusion of the Development Period.

Section 12.2 Further Development; Obligation of Declarant. During the Development Period, each and every Owner, Member and Resident waives, relinquishes and shall not directly or indirectly exercise any and all rights, powers or abilities, and the Association shall not devote or expend any monies or personnel, regarding the contest, objection to, challenge, dispute, obstruction, hindrance or any manner of disagreement with the proposed or actual development (including, without limitation, zoning or rezoning efforts or processes pertaining to residential uses) of any real property owned by the Declarant or by the affiliates, assignees or successors of the Declarant within the Property or which may be made subject to this Declaration which is generally consistent with the scheme contemplated by this Declaration and the provisions of any applicable zoning ordinance. DECLARANT SHALL HAVE NO OBLIGATION WHATSOEVER TO CONSTRUCT ANY IMPROVEMENTS ON THE PROPERTY, MAINTAIN ANY OF SAME OR OTHERWISE FUND

OR BE LIABLE FOR ANY MATTERS CONCERNING ANY SUCH IMPROVEMENTS OR OTHERWISE RELATED TO THE PROPERTY. DECLARANT SHALL HAVE NO LIABILITY FOR AND IS HEREBY RELEASED FROM ALL CLAIMS, CAUSES OF ACTION, COSTS AND EXPENSES ARISING IN CONNECTION WITH ANY IMPROVEMENTS AND INFRASTRUCTURE CONSTRUCTED BY OR ON BEHALF OF DECLARANT WITHIN OR IN CONNECTION WITH THE PROPERTY OR ANY DEFECTS THEREIN, EVEN IF DUE IN WHOLE OR IN PART TO THE NEGLIGENCE OF DECLARANT.

Section 12.3 Duration. The Covenants of this Declaration shall run with and bind the land subject to this Declaration, and shall inure to the benefit of and be enforceable by the Association and/or the Owners and Residents of any Lot subject to this Declaration, their respective legal representatives, heirs, devisees, personal representatives, successors and assigns, for an original fifty (50) year term expiring on the fiftieth (50th) anniversary of the date of recordation of this Declaration, after which time these Covenants shall be automatically extended for successive periods of ten (10) years unless an instrument is signed by Class A Members in good standing owning at least fifty-one percent (51%) of the votes entitled to be cast by Class A Members and recorded in the Records, which contains and sets forth an agreement to abolish these Covenants.

Section 12.4 Amendments. The Covenants set forth herein are expressly subject to change, modification and/or deletion by means of amendment, at any time and from time to time, on the following basis:

(a) During the Development Period, the Declarant shall have the right and privilege to amend, change, revise, modify or delete portions of these Covenants, and each and every Owner, Member and Resident specifically and affirmatively authorizes and empowers the Declarant, utilizing the attorney-in-fact status set forth in Section 12.1 above, to undertake, complete and consummate any and all such amendments, changes, revisions, modifications or deletions as the Declarant (in its sole and absolute discretion) shall deem appropriate.

(b) From and after the Development Period, the Declarant shall have the right and privilege to amend, change, revise, modify or delete portions of these Covenants, and each and every Owner, Member and Resident specifically and affirmatively authorizes and empowers the Declarant, utilizing the attorney-in-fact status set forth in Section 12.1 above, to undertake, complete and consummate any and all such amendments, changes, revisions, modifications or deletions as the Declarant (in its sole and absolute discretion) shall deem appropriate; provided, however, that any such amendment (i) is necessary to (A) bring any provision into compliance with any applicable governmental statute, rule, regulation or judicial determination; (B) enable any reputable title insurance company to issue title insurance coverage on the Lots; (C) enable any Institutional Mortgagee to make, purchase, insure or guarantee mortgage loans on the Lots; or (D) satisfy the requirements of the City, County any local, state or federal governmental agency; or (ii) has no material, adverse effect upon a right granted an Owner under this Declaration without such Owner's written consent.

(c) From and after the Development Period or as otherwise specifically provided above, amendments to the Declaration must be agreed to and approved by (i) Class A Members in good standing holding at least fifty-one percent (51%) of the votes entitled to

be cast by Class A Members, and (ii) the Declarant, so long as Declarant owns any property subject to this Declaration.

**Section 12.5 Enforcement.** Each Owner of each Lot shall be deemed, and held responsible and liable for the acts, conduct and omissions of each and every Member, Resident, guest and invitee affiliated with such Lot, and such liability and responsibility of each Owner shall be joint and several with their Member(s), Resident(s), guests and invitees. The contract Performance and Payment Lien covering Lots shall extend to, cover and secure the proper payment and performance of all obligations under this Declaration by each and every Member, Resident, guest and invitee affiliated with each Owner. Each Owner may, upon appropriate application to and approval by the Association, impose greater or additional restraints and restrictions on the "good standing" qualifications of any Person who occupies such Owner's Lot. Unless otherwise prohibited or modified by law, all parents shall be liable for any and all personal injuries and property damage proximately caused by the conduct of their children (under the age of 18 years) within the Property. Enforcement of these Covenants may be initiated by any proceeding at law or in equity against any Person or Persons violating or attempting to violate them, whether the relief sought is an injunction or recovery of damages, or both, or enforcement of any lien created by these Covenants; however, failure by the Association or any Owner to enforce any Covenant herein contained shall in no event be deemed a waiver of the right to do so thereafter. With respect to any litigation hereunder, the prevailing party shall be entitled to recover all costs and expenses, including court costs and reasonable attorneys' fees, from the non-prevailing party.

**Section 12.6 Validity.** Violation of or failure to comply with these Covenants shall not affect the validity of any mortgage, bona fide lien or other similar security instrument which may then be existing on any Lot. Invalidation of any one or more of these Covenants, or any portions thereof, by a judgment or court order shall not affect any of the other provisions or covenants herein contained, which shall remain in full force and effect. In the event any portion of these Covenants conflicts with mandatory provisions of any ordinance or regulation promulgated by the City (including, without limitation, any applicable zoning ordinance), then such municipal requirement shall control.

**Section 12.7 Headings.** The headings contained in this Declaration are for reference purposes only and shall not in any way affect the meaning or interpretation of this Declaration. Words of any gender used herein shall be held and construed to include any other gender, and words in the singular shall be held to include the plural and vice versa, unless the context requires otherwise. Examples, illustrations, scenarios and hypothetical situations mentioned herein shall not constitute an exclusive, exhaustive or limiting list of what can or cannot be done.

**Section 12.8 Notices to Member/Owner/Resident.** Any notice required to be given to any Owner, Member or Resident of a Lot under the provisions of this Declaration shall be deemed to have been properly delivered when: (i) deposited in the United States Mail, postage prepaid, addressed to the last known address of the Person who appears as the Owner, Member or Resident on the records of the Association at the time of such mailing; or when (ii) delivered by hand or by messenger to the last known address of such Person.

**Section 12.9 Notices to Mortgagees.** The holder(s) of an Institution Mortgage may be furnished with written notification from the Association of any default by the respective

mortgagor/Member/Owner in the performance of such mortgagor's/Member's/Owner's obligation(s) as established by this Declaration, provided that the Association has been theretofore furnished, in writing, with the correct name and address of such mortgage holder(s) and a request to receive such notification and a reasonable supply of self-addressed, stamped envelopes.

Section 12.10 Notice of Material Change. Each and every Owner, Member and Resident shall have an affirmative duty and obligation to originally provide, and thereafter revise and update, within fifteen (15) days after a material change has occurred, various items of information to the Association such as: (a) the full name and address of each Owner, Member and Resident; (b) the full name of each individual family member who resides within the Residence of the Lot Owner in question; (c) the business address, occupation and telephone numbers of each Resident; (d) the description and license plate number of each automobile owned or used by a Resident and brought within the Property; (e) the name, address and telephone numbers of other local individuals who can be contacted (in the event the Resident cannot be located) in case of an emergency; and (f) such other information as may be reasonably requested from time to time by the Association. In the event any Owner, Member or Resident fails, neglects or refuses to so provide, revise and update such information, then the Association may, but is not required to, use whatever means it deems reasonable and appropriate to obtain such information and the offending Owner, Member and Resident shall become automatically jointly and severally liable to promptly reimburse the Association for all reasonable costs and expenses incurred in so doing.

Section 12.11 Disputes. Matters of dispute or disagreement between Owners, Members or Residents with respect to interpretation or application of the provisions (excluding the provisions of Article VI) of this Declaration or the Bylaws, shall be determined by the Board. Matters pertaining to Article VI shall be determined by the Design Review Committee. These respective determinations (absent arbitrary and capricious conduct or gross negligence) shall be final and binding upon all Owners, Members and Residents.

IN WITNESS WHEREOF Declarant has executed this Declaration as of the date first above written.

**CASCADE PROPERTIES, LTD.,**  
a Texas limited partnership

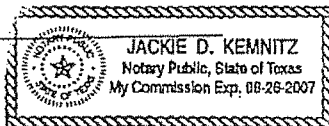
By: Cascade Properties GP Corp.,  
a Texas corporation,  
General Partner

By: *Lew Anderton*  
Lew Anderton, President

THE STATE OF TEXAS §  
§  
COUNTY OF DALLAS §

This instrument was acknowledged before me on the 20th day of February, 2004, by Lew Anderton, President of Cascade Properties GP Corp., a Texas corporation, General Partner of Cascade Properties, Ltd., a Texas limited partnership, on behalf of said corporation and limited partnership.

My Commission Expires:



*Jackie D. Kemnitz*  
Notary Public, State of Texas  
JACKIE KEMNITZ  
Printed Name of Notary Public

*Return to: Landmark Title*

## JOINDER OF LIENHOLDER

The undersigned, being the holder of that certain lien against the Property evidenced by that certain Deed of Trust, Security Agreement and Assignment of Rents, Leases, Incomes and Agreements dated July 24, 2003 executed by Cascade Properties, Ltd., a Texas limited partnership, unto Thomas R. Youngblood, Trustee, recorded in Volume 7282, Page 827 of the Records ("Deed of Trust"), hereby consents to the execution of the foregoing Declaration of Covenants, Conditions and Restrictions ("Restrictions"), subordinates the lien created by the Deed of Trust to the Restrictions and agrees that in the event of a foreclosure of the Property (or deed in lieu thereof), the Restrictions will remain in full force and effect and shall not be extinguished by such foreclosure.

PARK CITIES BANK,  
a national banking association

By: [Signature]  
Name: MIKE MERRITT  
Title: EVP

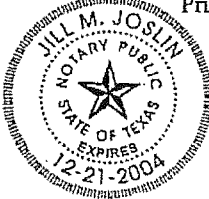
THE STATE OF TEXAS       §  
                                     §  
COUNTY OF DALLAS       §

This instrument was acknowledged before me on the 2nd day of March, 2004, by Mike Merritt, EVP of PARK CITIES BANK, a national banking association, on behalf of said banking association.

My Commission Expires:

12-21-04

[Signature]  
Notary Public, State of Texas  
Jill M. Joslin  
Printed Name of Notary Public



**EXHIBIT "A"**

**PROPERTY**

Tyler Cascades, Unit One, Section One as recorded in Cabinet D, Slide 224-A through Slide 225-A of the Plat Records of Smith County, Texas, as affected by resubdivision of certain lots within Tyler Cascades, Unit One, Section One, according to the plats recorded under Document No. 2004-R0048015 and Document No. 2004-R004816 with the County Clerk, Smith County, Texas

Tyler Cascades, Unit One, Section Two as recorded in Cabinet D, Slide 225-B and Slide 225-C of the Plat Records of Smith County, Texas.



3  
**FIRST AMENDMENT TO DECLARATION  
 OF COVENANTS, CONDITIONS AND RESTRICTIONS  
 FOR CASCADES**

**THIS FIRST AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CASCADES** (this "Amendment") is made and entered into by **CASCADE PROPERTIES, LTD.**, a Texas limited partnership ("Declarant"), whose address is 2611 Cascades Golf Club Drive, Tyler, Texas 75709.

WHEREAS, Declarant is the declarant under that certain Declaration of Covenants, Conditions and Restrictions for Cascades dated as of February 20, 2004, executed by Declarant, recorded in Volume 7613, Page 4, Official Public Records, Smith County, Texas (the "Declaration"), as amended by Supplemental Declaration of Covenants, Conditions and Restrictions for Cascades Designating the Subdivision of Lakeshore Village executed by Declarant, recorded November 15, 2004 in Volume 7657, Page 99, Official Public Records, Smith County, Texas, Supplemental Declaration of Covenants, Conditions and Restrictions for Cascades Designating the Subdivision of Shoreline View Village executed by Declarant, recorded December 20, 2004 in Volume 7681, Page 576, Official Public Records, Smith County, Texas, Supplemental Notice of Dedicatory Instruments For Cascades Homeowners Association, Inc. dated as of September 16, 2004, executed by Cascades Homeowners Association, Inc., recorded in Volume 7613, Page 134, Official Public Records, Smith County, Texas, and Appointment of Design Review Committee dated as of August 6, 2005, executed by Declarant, recorded in the Official Public Records, Smith County, Texas, and as supplemented pursuant to that certain Supplemental Declaration of Covenants, Conditions and Restrictions for Cascades dated effective of even date herewith, recorded in the Official Public Records, Smith County, Texas, regarding certain real property more particularly described in the Declaration, reference to which is hereby made for all purposes;

WHEREAS, Section 12.4 of the Declaration provides that during the Development Period the Declarant shall have the right and privilege to amend, change, revise, modify or delete portions of the Declaration as the Declarant (in its sole and absolute discretion) shall deem appropriate;

WHEREAS, the Declaration provides that the Development Period commenced upon the recordation of the Declaration in the Records and continues until the earlier of (a) December 31, 2029 or (b) the date the Declarant voluntarily terminates its Class B Member status by recording a written notice of such termination in the Records;

WHEREAS, as of the date hereof the Declarant has not voluntarily terminated its Class B Member status as provided in the Declaration; therefore, Declarant has the right and privilege to make and execute this Amendment;

WHEREAS, Declarant desires to amend and clarify the Declaration in certain respects;

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Declarant agrees as follows:

1. Signs. The following provision is hereby added to Section 7.4:

“Notwithstanding anything to the contrary set forth in this Section 7.4, no sign advertising a Lot for rent or sale shall be displayed to the public view on any Lot until completion of construction (as defined in Section 6.11) of a Residence constructed on the Lot in accordance with plans approved pursuant to this Declaration.”

2. Designation of Lots.

- (a) The following Lots are hereby designated Forest Lots:

Lots 1-4, inclusive, Block 1801-F, Final Plat, Cascades Estates, an addition in Smith County, Texas, according to the plat thereof recorded in Cabinet D, Slides 313-C, D and 314-A, Land Records, Smith County, Texas; and

- (b) The following Lots are hereby designated Golf Course Lots:

Lots 1-5, inclusive, Block 1801-D, Final Plat, Tyler Cascades, Unit One, Section Two, an addition in Smith County, Texas, according to the plat thereof recorded in Cabinet D, Slides 225-B and 225-C, Land Records, Smith County, Texas;

Lots 6-A – 13-A, Block 1801-D, Resubdivision Plat of Lots 6-11, Block 1801-D and Lots 1-7, Block 1801-E, Tyler Cascades, Unit One, Section One, an addition in Smith County, Texas, according to the plat thereof recorded in Cabinet D, Slide 293-C, Land Records, Smith County, Texas; and

Lots 4-A, 5-A, 6-A and 7-A, Block 1801-E, Resubdivision Plat of Lots 6-11, Block 1801-D and Lots 1-7, Block 1801-E, Tyler Cascades, Unit One, Section One, an addition in Smith County, Texas, according to the plat thereof recorded in Cabinet D, Slide 293-C, Land Records, Smith County, Texas;

3. Severability. If any term or provision of this Amendment or the application of it to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Amendment or the application of such term or provision to persons or circumstances, other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Amendment shall be valid and shall be enforced to the extent permitted by law.

4. Miscellaneous. This Amendment is executed by Declarant pursuant to the authority granted under Section 12.4 of the Declaration. Unless otherwise defined herein, all capitalized terms shall have the meaning of those same terms in the Declaration.

EXECUTED to be effective as of the day and year when recorded in the office of the County Clerk of the county in which the Property is located.

STATE OF TEXAS COUNTY OF SMITH  
I hereby certify that this instrument was  
filed on the date and time stamped hereon  
by me and was duly recorded in the Official  
Public records of Smith County, Texas.



MAR 09 2006

*Judy Carnes*  
JUDY CARNES  
COUNTY CLERK, Smith County, Texas

THE STATE OF TEXAS §  
§  
COUNTY OF DALLAS §

DECLARANT:

CASCADE PROPERTIES, LTD.,  
a Texas limited partnership

By: Cascade Properties GP Corp.,  
a Texas corporation,  
General Partner

By: *[Signature]*  
Lew Anderton, President

This instrument was acknowledged before me on the 3<sup>rd</sup> day of  
March, 2006, by Lew Anderton, President of Cascade Properties GP Corp., a  
Texas corporation, General Partner of Cascade Properties, Ltd., a Texas limited partnership, on  
behalf of said corporation and limited partnership.

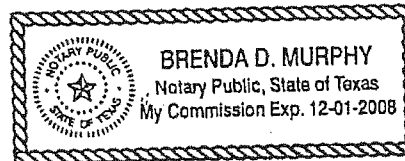
*Brenda D. Murphy*  
Notary Public, State of Texas

My Commission Expires:

12-01-08

*Brenda D. Murphy*  
Printed Name of Notary Public

*Porter*



FIRST AMENDMENT TO  
SUPPLEMENTAL DECLARATION OF COVENANTS,  
CONDITIONS AND RESTRICTIONS FOR CASCADES  
DESIGNATING THE SUBDIVISION  
OF SHORELINE VIEW VILLAGE

THIS FIRST AMENDMENT TO SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CASCADES DESIGNATING THE SUBDIVISION OF SHORELINE VIEW VILLAGE (this "Supplemental Declaration") is made and entered into by CASCADE PROPERTIES, LTD., a Texas limited partnership ("Declarant"), whose address is 2611 Cascades Golf Club Drive, Tyler, Texas 75709.

WHEREAS, Declarant is the declarant under that certain Declaration of Covenants, Conditions and Restrictions for Cascades dated as of February 20, 2004, executed by Declarant, recorded in Volume 7613, Page 4, Official Public Records, Smith County, Texas (the "Declaration"), regarding certain real property more particularly described in the Declaration, reference to which is hereby made for all purposes; and

WHEREAS, pursuant to that certain Supplemental Declaration of Covenants, Conditions and Restrictions for Cascades Designating the Subdivision of Shoreline View Village (the "Village Declaration") dated as of December 20, 2004, executed by Declarant, recorded in Volume 7681, Page 876, Official Public Records, Smith County, Texas, Declarant designated certain real property located in Cascades as a Subdivision to be known as "Shoreline View Village"; and

WHEREAS, pursuant to the Declaration, Declarant desires to designate additional real property located in Cascades, more particularly described on Exhibit "A" attached hereto and made a part hereof for all purposes (the "Additional Designated Property"), as additional real property included within the Subdivision known as "Shoreline View Village"; and

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Declarant hereby declares as follows:

1. Designation of Subdivision. Declarant does hereby designate the Additional Designated Property as additional real property included within the Subdivision known as Shoreline View Village established pursuant to the Village Declaration under and pursuant to the terms and provisions of the Declaration. Easements are herein created and reserved within the Additional Designated Property in favor of the Association, Declarant, City, County, all providers of utility services within the Additional Designated Property, all other governmental providers of the Additional Designated Property (including, without limitation, the U.S. Postal Service), and Owners and Residents of Lots within the Additional Designated Property and Designated Property as set forth in the Village Declaration.

FIRST AMENDMENT TO SUPPLEMENTAL DECLARATION OF COVENANTS  
CONDITIONS AND RESTRICTIONS FOR CASCADES DESIGNATING THE SUBDIVISION  
OF SHORELINE VIEW VILLAGE - Page 1

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2. Property. For purposes of the Village Declaration and this Amendment, the term Designated Property as defined in the Village Declaration is hereby amended to mean and include the Additional Designated Property.

3. Additional Covenants, Conditions, Restrictions and Easements. The Additional Designated Property shall be developed, held, used, sold and conveyed in accordance with the Village Declaration and entitled to the same rights, benefits and easements as are granted all other Lots within the Designated Property.

4. Private Driveway Easement Area. Pursuant to Paragraph 3 (iii) of the Village Declaration, Declarant hereby amends the Village Declaration to provide that the Private Drive Easement Area shall mean the real property depicted as the 20' alley easement along the common boundary of Lots 11 and 12 and the north lot line of Lots 11, 12 and 13 of the Additional Designated Property and the south boundary of Lot 2, Block 1801-G, Tyler Cascades, Unit One, Section One, according to the Amended Plat thereof recorded in Cabinet D, Slide 257-B, C, D and Slide 258-A, B of the Land Records of Smith County, Texas.

5. Severability. If any term or provision of this Amendment or the application of it to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Amendment or the application of such term or provision to persons or circumstances, other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Amendment shall be valid and shall be enforced to the extent permitted by law.

6. Miscellaneous. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Village Declaration.

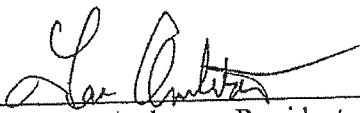
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Signature Page Follows]

EXECUTED to be effective as of the day and year when recorded in the office of the County Clerk of the county in which the Property is located.

**DECLARANT:**

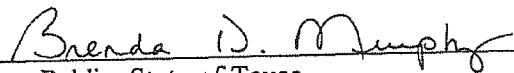
**CASCADE PROPERTIES, LTD.,**  
a Texas limited partnership

By: Cascade Properties GP Corp.,  
a Texas corporation,  
General Partner

By:   
Lew Anderton, President

THE STATE OF TEXAS   §  
                                     §  
COUNTY OF DALLAS   §

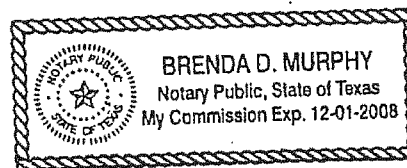
This instrument was acknowledged before me on the 3<sup>rd</sup> day of March, 2006, by Lew Anderton, President of Cascade Properties GP Corp., a Texas corporation, General Partner of Cascade Properties, Ltd., a Texas limited partnership, on behalf of said corporation and limited partnership.

  
Notary Public, State of Texas

My Commission Expires:

12-01-08

Brenda D. Murphy  
Printed Name of Notary Public



**EXHIBIT "A"**

**ADDITIONAL DESIGNATED PROPERTY**

Lots 6-14, inclusive, Block 1801-F, Cascades Estates, an addition in Smith County, Texas, according to the plat thereof recorded in Cabinet D, Slides 313-C, D and 314-A, Land Records, Smith County, Texas.

STATE OF TEXAS    COUNTY OF SMITH  
I hereby certify that this instrument was  
filed on the date and time stamped hereon  
by me and was duly recorded in the Official  
Public records of Smith County, Texas.



MAR 09 2006

*Judy Carnes*  
JUDY CARNES  
COUNTY CLERK, Smith County, Texas

Filed for Record in:  
SMITH COUNTY, TEXAS  
JUDY CARNES, COUNTY CLERK  
On Mar 09 2006  
At 11:45am  
Receipt #: 379151  
Recording: 28.00  
Doc/Num : 2006-R0011380  
Doc/Type : REC  
Deputy - Rebecca Calderon

*Porter*

**FIRST AMENDMENT TO SUPPLEMENTAL DECLARATION OF COVENANTS  
CONDITIONS AND RESTRICTIONS FOR CASCADES DESIGNATING THE SUBDIVISION  
OF SHORELINE VIEW VILLAGE - Page 4**

Q:\SHARED\CLIENTS\6584\39157\SHORELINE VIEW VILLAGE\FIRST AMENDMENT, DECLARATION,SUPPLEMENTAL.DOC

**SECOND AMENDMENT TO  
SUPPLEMENTAL DECLARATION OF COVENANTS,  
CONDITIONS AND RESTRICTIONS FOR CASCADES  
DESIGNATING THE SUBDIVISION  
OF SHORELINE VIEW VILLAGE**

 **COPY**

THIS SECOND AMENDMENT TO SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CASCADES DESIGNATING THE SUBDIVISION OF SHORELINE VIEW VILLAGE (this "Supplemental Declaration") is made and entered into by CASCADE PROPERTIES, LTD., a Texas limited partnership ("Declarant"), whose address is 2611 Cascades Golf Club Drive, Tyler, Texas 75709.

WHEREAS, Declarant is the declarant under that certain Declaration of Covenants, Conditions and Restrictions for Cascades dated as of February 20, 2004, executed by Declarant, recorded in Volume 7613, Page 4, Official Public Records, Smith County, Texas (the "Declaration"), regarding certain real property more particularly described in the Declaration, reference to which is hereby made for all purposes; and

WHEREAS, pursuant to that certain Supplemental Declaration of Covenants, Conditions and Restrictions for Cascades Designating the Subdivision of Shoreline View Village (the "Village Declaration") dated as of December 20, 2004, executed by Declarant, recorded in Volume 7681, Page 876, Official Public Records, Smith County, Texas, Declarant designated certain real property located in Cascades as a Subdivision to be known as "Shoreline View Village"; and

WHEREAS, the Village Declaration has been heretofore amended pursuant to that certain First Amendment to Supplemental Declaration of Covenants, Conditions and Restrictions for Cascades Designating the Subdivision of Shoreline View Village (the "First Amendment") dated as of March 9, 2006, executed by Declarant, recorded under Clerk's File No. 2006-R0011380, Official Public Records, Smith County, Texas (the Village Declaration, as amended by the First Amendment, being hereinafter referred to as the "Village Declaration"); and

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Declarant hereby declares as follows:

1. Private Driveway Easement Area. Pursuant to Paragraph 3 (iii) of the Village Declaration, Declarant hereby amends the Village Declaration to provide that the Private Drive Easement Area shall mean the real property depicted as the 20' alley easement along the east and north lot lines of Lot 11-A, New City Block 1801-F, Cascades Estates, an addition in Smith County, Texas, according to the plat thereof recorded in Cabinet D, Slide 350-D, Land Records, Smith County, Texas, and the south boundary of Lot 2, Block 1801-G, Tyler Cascades, Unit One, Section One, according to the Amended Plat thereof recorded in Cabinet D, Slide 257-B, C, D and Slide 258-

**SECOND AMENDMENT TO SUPPLEMENTAL DECLARATION OF COVENANTS  
CONDITIONS AND RESTRICTIONS FOR CASCADES DESIGNATING THE SUBDIVISION  
OF SHORELINE VIEW VILLAGE - Page 1**

C:\DOCUMENTS AND SETTINGS\N0DE04\LOCAL SETTINGS\TEMPORARY INTERNET FILES\OLK32\SECOND AMENDMENT DECLARATION  
SUPPLEMENTAL.DOC



A, B of the Land Records of Smith County, Texas, as shown on such plats.

2. Severability. If any term or provision of this Amendment or the application of it to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Amendment or the application of such term or provision to persons or circumstances, other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Amendment shall be valid and shall be enforced to the extent permitted by law.

3. Miscellaneous. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Village Declaration.

[Remainder of Page Intentionally Left Blank  
Signature Page Follows]

EXECUTED to be effective as of the day and year when recorded in the office of the County Clerk of the county in which the Property is located.

**DECLARANT:**

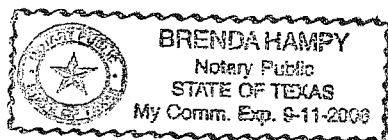
**CASCADE PROPERTIES, LTD.,**  
a Texas limited partnership

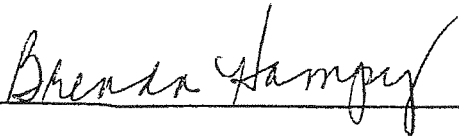
By: Cascade Properties GP Corp.,  
a Texas corporation,  
General Partner

By:   
Lew Anderton, President

THE STATE OF TEXAS   §  
                                  §  
COUNTY OF DALLAS   §

This instrument was acknowledged before me on the 14th day of July, 2006, by Lew Anderton, President of Cascade Properties GP Corp., a Texas corporation, General Partner of Cascade Properties, Ltd., a Texas limited partnership, on behalf of said corporation and limited partnership.



  
Brenda Hampy

**SECOND AMENDMENT TO SUPPLEMENTAL DECLARATION OF COVENANTS  
CONDITIONS AND RESTRICTIONS FOR CASCADES DESIGNATING THE SUBDIVISION  
OF SHORELINE VIEW VILLAGE - Page 3**

C:\DOCUMENTS AND SETTINGS\NODE04\LOCAL SETTINGS\TEMPORARY INTERNET FILES\OLK32\SECOND AMENDMENT DECLARATION  
SUPPLEMENTAL.DOC



70 2006 00036304

Smith County  
Judy Carnes  
County Clerk  
Tyler Tx 75702

Instrument Number: 2006-R00036304

As

Recorded On: July 24, 2006

Recordings - Land

Parties: CASCADE PROPERTIES LTD

Billable Pages: 3

To PUBLIC

Number of Pages: 4

Comment: 2ND AMEND TO DECLARATION

( Parties listed above are for Clerks reference only )

**\*\* Examined and Charged as Follows: \*\***

Recordings - Land	24.00
Total Recording:	24.00

\*\*\*\*\* DO NOT REMOVE THIS PAGE IS PART OF THE INSTRUMENT \*\*\*\*\*

Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY  
because of color or race is invalid and unenforceable under federal law.

**File Information:**

Document Number: 2006-R00036304

Receipt Number: 395609

Recorded Date/Time: July 24, 2006 01:19:56P

User / Station: J Farrell - Cash Station 3

**Record and Return To:**

LANDMARK TITLE

MANUAL PICK UP

TYLER TX 75702



I hereby certify that this instrument was filed and duly recorded  
in the Official Records of Smith County, Texas

*Judy Carnes*

County Clerk  
Smith County, Texas

**SUPPLEMENTAL DECLARATION <sup>5</sup>  
OF COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR CASCADES**

**THIS SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CASCADES** (this "Supplemental Declaration") is made and entered into by **CASCADE PROPERTIES, LTD.**, a Texas limited partnership ("Declarant"), whose address is 2611 Cascades Golf Club Drive, Tyler, Texas 75709.

WHEREAS, Declarant is the declarant under that certain Declaration of Covenants, Conditions and Restrictions for Cascades dated as of February 20, 2004, executed by Declarant, recorded in Volume 7613, Page 4, Official Public Records, Smith County, Texas (the "Declaration"), as amended by Supplemental Declaration of Covenants, Conditions and Restrictions for Cascades Designating the Subdivision of Lakeshore Village executed by Declarant, recorded November 15, 2004 in Volume 7657, Page 99, Official Public Records, Smith County, Texas, Supplemental Declaration of Covenants, Conditions and Restrictions for Cascades Designating the Subdivision of Shoreline View Village executed by Declarant, recorded December 20, 2004 in Volume 7681, Page 576, Official Public Records, Smith County, Texas, Supplemental Notice of Dedicatory Instruments For Cascades Homeowners Association, Inc. dated as of September 16, 2004, executed by Cascades Homeowners Association, Inc., recorded in Volume 7613, Page 134, Official Public Records, Smith County, Texas, and Appointment of Design Review Committee dated as of August 6, 2005, executed by Declarant, recorded in the Official Public Records, Smith County, Texas, regarding certain real property more particularly described in the Declaration, reference to which is hereby made for all purposes;

WHEREAS, Declarant is the owner of that certain real property located in Smith County, Texas, more particularly described on Exhibit "A" attached hereto and made a part hereof for all purposes (the "Annexed Land");

WHEREAS Declarant desires to have the Annexed Land included in the "Property" defined in the Declaration which is subject to the terms and provisions of the Declaration and the Association provided for therein and entitled to the rights and benefits of Owners of Lots within the Property pursuant to the rights of Declarant under Section 2.2 of the Declaration;

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Declarant agrees as follows:

1. Addition of Annexed Land. Declarant does hereby annex and subject the Annexed Land to the terms and provision of the Declaration. Easements are herein created and reserved within the Annexed Land in favor of the Association, Declarant, providers of utility services, Owners, and/or other land entitled to be annexed as set forth in Articles X and XI of the Declaration with the same force and effect as if the Annexed Land were originally included in the Declaration as part of the Property.

2. Property. For purposes of the Declaration and this Supplemental Declaration, the term Property as defined in the Declaration is hereby amended to mean and include the Annexed Land.

3. Plat. The term "Plat" as used in the Declaration is hereby amended to also include the final plat(s) of the Annexed Land, as recorded in the Land Records of Smith County, Texas.

4. Subject to Declaration.

(a) The Annexed Land is being annexed in accordance with and subject to the provisions of the Declaration as now or hereafter amended, and shall be developed, held, used, sold and conveyed in accordance therewith, except as expressly set forth in subparagraph (b) below. The Lots and the land contained within the Annexed Land shall be entitled to the same rights, benefits and easements as are granted all other Lots within the Property in the Declaration, including, without limitation, rights and easements of enjoyment in and to the Common Properties, except as expressly set forth in subparagraph (b) below. All of the provisions of the Declaration shall apply to the Annexed Land with the same force and effect as if the Annexed Land were originally included in the Declaration as part of the Property, except as expressly set forth in subparagraph (b) below.

(b) Solely with respect to the Annexed Land, the following provisions shall apply:

(i) The following Lots are hereby designated Villa Lots:

Lots 1-12, inclusive, Block 1801-H, and Lots 1-28, inclusive, Block 1801-J, Cascades Estates, an addition in Smith County, Texas, according to the plat thereof recorded in Cabinet D, Slides 313-C, D and 314-A, Land Records, Smith County, Texas; and

(ii) The following Lots are hereby designated Golf Course Lots:

Lots 1-9, inclusive, Block 1801-L, Cascades Addition, Unit 4, an addition in Smith County, Texas, according to the plat thereof recorded in Cabinet D, Slide 315-B, Land Records, Smith County, Texas; and

(iii) The following Lots are hereby designated Forest Lots:

Lots 1-16, inclusive, Block 1801-K, Lots 10-22, inclusive, Block 1801-L, and Lots 1-13, inclusive, Block 1801-M, Cascades Addition, Unit 4, an addition in Smith County, Texas, according to the plat thereof recorded in Cabinet D, Slide 315-B, Land Records, Smith County, Texas; and

(iv) The following Lots are hereby designated Estate Lots:

Lots 6-14, inclusive, Block 1801-F, Cascades Estates, an addition in Smith County, Texas, according to the plat thereof recorded in Cabinet D, Slides 313-C, D and 314-A, Land Records, Smith County, Texas.

5. Assessment Lien; Remedies. An Assessment Lien is herein created and reserved in each Lot within the Annexed Land in favor of the Association to secure collection of the Assessments as provided in the Declaration. Enforcement of the covenants of the Declaration with respect to the Annexed Land may be initiated by any proceeding at law or in equity against any Person or Persons violating or attempting to violate them, whether the relief sought is an injunction or recovery of damages, or both, or enforcement of any lien created by these Covenants.

6. Severability. If any term or provision of this Supplemental Declaration or the application of it to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Supplemental Declaration or the application of such term or provision to persons or circumstances, other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Supplemental Declaration shall be valid and shall be enforced to the extent permitted by law.

7. Miscellaneous. This Supplemental Declaration is executed by Declarant pursuant to the authority granted under Section 2.2 of the Declaration. Unless otherwise defined herein, all capitalized terms shall have the meaning of those same terms in the Declaration.

EXECUTED to be effective as of the day and year when recorded in the office of the County Clerk of the county in which the Property is located.

**DECLARANT:**

**CASCADE PROPERTIES, LTD.,**  
a Texas limited partnership

By: Cascade Properties GP Corp.,  
a Texas corporation,  
General Partner

By: [Signature]  
Lew Anderton, President

THE STATE OF TEXAS   §  
                                  §  
COUNTY OF DALLAS   §

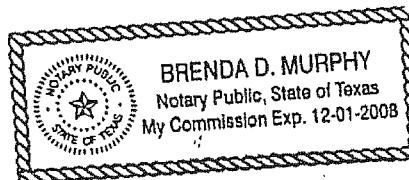
This instrument was acknowledged before me on the 3<sup>rd</sup> day of March, 2006, by Lew Anderton, President of Cascade Properties GP Corp., a Texas corporation, General Partner of Cascade Properties, Ltd., a Texas limited partnership, on behalf of said corporation and limited partnership.

[Signature]  
Notary Public, State of Texas

My Commission Expires:

12-01-08

Brenda D. Murphy  
Printed Name of Notary Public



Filed for Record in:  
SMITH COUNTY, TEXAS  
JUDY CARNES, COUNTY CLERK  
On Mar 09 2006  
At 11:45am  
Receipt #: 379151  
Recording: 32.00  
Doc/Num : 2006-R0011378  
Doc/Type : REC  
Deputy -Rebeca Calderon

**EXHIBIT "A"**

**ANNEXED LAND**

Lots 6-14, inclusive, Block 1801-F, Lots 1-12, inclusive, Block 1801-H, and Lots 1-28, inclusive, Block 1801-J, Cascades Estates, an addition in Smith County, Texas, according to the plat thereof recorded in Cabinet D, Slides 313-C, D and 314-A, Land Records, Smith County, Texas.

Lots 1-16, inclusive, Block 1801-K, Lots 1-22, inclusive, Block 1801-L, and Lots 1-13, inclusive, Block 1801-M, Cascades Addition, Unit 4, an addition in Smith County, Texas, according to the plat thereof recorded in Cabinet D, Slide 315-B, Land Records, Smith County, Texas.

STATE OF TEXAS      COUNTY OF SMITH  
I hereby certify that this instrument was  
filed on the date and time stamped hereon  
by me and was duly recorded in the Official  
Public records of Smith County, Texas.



MAR 09 2006

*Judy Carnes*  
JUDY CARNES  
COUNTY CLERK, Smith County, Texas

Ret to:

David M. Jatum  
Geary, Porter + Donovan  
16475 Dallas Pkwy. #500  
Addison, TX 75001



**SECOND SUPPLEMENTAL DECLARATION  
OF COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR CASCADES**

**THIS SECOND SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CASCADES** (this "Supplemental Declaration") is made and entered into by **CASCADE PROPERTIES, LTD.**, a Texas limited partnership ("Declarant"), whose address is 2611 Cascades Golf Club Drive, Tyler, Texas 75709.

WHEREAS, Declarant is the declarant under that certain Declaration of Covenants, Conditions and Restrictions for Cascades dated as of February 20, 2004, executed by Declarant, recorded in Volume 7613, Page 4, Official Public Records, Smith County, Texas (the "Declaration"), as amended by Supplemental Declaration of Covenants, Conditions and Restrictions for Cascades Designating the Subdivision of Lakeshore Village executed by Declarant, recorded November 15, 2004 in Volume 7657, Page 99, Official Public Records, Smith County, Texas, Supplemental Declaration of Covenants, Conditions and Restrictions for Cascades Designating the Subdivision of Shoreline View Village executed by Declarant, recorded December 20, 2004 in Volume 7681, Page 576, Official Public Records, Smith County, Texas, Supplemental Notice of Dedicatory Instruments For Cascades Homeowners Association, Inc. dated as of September 16, 2004, executed by Cascades Homeowners Association, Inc., recorded in Volume 7613, Page 134, Official Public Records, Smith County, Texas, Appointment of Design Review Committee dated as of August 6, 2005 executed by Declarant, recorded under Document No. 2006-R0011377 in the Official Public Records, Smith County, Texas, Supplemental Declaration of Covenants, Conditions and Restrictions executed by Declarant, recorded under Document No. 2006-R0011378 in the Official Public Records of Smith County, Texas, First Amendment to Declaration of Covenants, Conditions and Restrictions executed by Declarant, recorded under Document No. 2006-R0011379 in the Official Public Records of Smith County, Texas, First Amendment to Supplemental Declaration of Covenants, Conditions and Restrictions for Cascades Designated the Subdivision of Shoreline View Village executed by Declarant, recorded under Document No. 2006-R0011380 in the Official Public Records of Smith County, Texas, and First Amendment to Design Guidelines for Cascades executed by Declarant, recorded under Document No. 2006-R0011381 in the Official Public Records of Smith County, Texas., regarding certain real property more particularly described in the Declaration, reference to which is hereby made for all purposes;

WHEREAS, Declarant is the owner of that certain real property located in Smith County, Texas, more particularly described on Exhibit "A" attached hereto and made a part hereof for all purposes (the "Annexed Land");

WHEREAS Declarant desires to have the Annexed Land included in the "Property" defined in the Declaration which is subject to the terms and provisions of the Declaration and the Association provided for therein and entitled to the rights and benefits of Owners of Lots within the Property pursuant to the rights of Declarant under Section 2.2 of the Declaration;

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth

herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Declarant agrees as follows:

1. Addition of Annexed Land. Declarant does hereby annex and subject the Annexed Land to the terms and provision of the Declaration. Easements are herein created and reserved within the Annexed Land in favor of the Association, Declarant, providers of utility services, Owners, and/or other land entitled to be annexed as set forth in Articles X and XI of the Declaration with the same force and effect as if the Annexed Land were originally included in the Declaration as part of the Property.

2. Property. For purposes of the Declaration and this Supplemental Declaration, the term Property as defined in the Declaration is hereby amended to mean and include the Annexed Land.

3. Plat. The term "Plat" as used in the Declaration is hereby amended to also include the final plat(s) of the Annexed Land, as recorded in the Land Records of Smith County, Texas.

4. Subject to Declaration.

(a) The Annexed Land is being annexed in accordance with and subject to the provisions of the Declaration as now or hereafter amended, and shall be developed, held, used, sold and conveyed in accordance therewith, except as expressly set forth in subparagraph (b) below. The Lots and the land contained within the Annexed Land shall be entitled to the same rights, benefits and easements as are granted all other Lots within the Property in the Declaration, including, without limitation, rights and easements of enjoyment in and to the Common Properties, except as expressly set forth in subparagraph (b) below. All of the provisions of the Declaration shall apply to the Annexed Land with the same force and effect as if the Annexed Land were originally included in the Declaration as part of the Property, except as expressly set forth in subparagraph (b) below.

(b) Solely with respect to the Annexed Land, the following provisions shall apply:

(i) The following Lots are hereby designated Lake Front  
Lots:

Lots 41, 42 and 43 and Lots 19-29, inclusive, Block 1801-B, Cascades Addition, Unit 5, an addition in Smith County, Texas, according to the plat thereof recorded in Cabinet D, Slides 336-A, B, Land Records, Smith County, Texas; and

(ii) The following Lots are hereby designated Forest Lots:

Lots 30-35, inclusive, and Lots 37-40, inclusive, and Lot 44, Block 1801-B, Lots 1-8, inclusive, Block 1801-N, and Lots 1-11, inclusive, Block 1801-P, Cascades Addition,

Unit 5, an addition in Smith County, Texas, according to the plat thereof recorded in Cabinet D, Slides 336-A, B, Land Records, Smith County, Texas; and

5. Assessment Lien; Remedies. An Assessment Lien is herein created and reserved in each Lot within the Annexed Land in favor of the Association to secure collection of the Assessments as provided in the Declaration. Enforcement of the covenants of the Declaration with respect to the Annexed Land may be initiated by any proceeding at law or in equity against any Person or Persons violating or attempting to violate them, whether the relief sought is an injunction or recovery of damages, or both, or enforcement of any lien created by these Covenants.

6. Severability. If any term or provision of this Supplemental Declaration or the application of it to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Supplemental Declaration or the application of such term or provision to persons or circumstances, other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Supplemental Declaration shall be valid and shall be enforced to the extent permitted by law.

7. Miscellaneous. This Supplemental Declaration is executed by Declarant pursuant to the authority granted under Section 2.2 of the Declaration. Unless otherwise defined herein, all capitalized terms shall have the meaning of those same terms in the Declaration.

EXECUTED to be effective as of the day and year when recorded in the office of the County Clerk of the county in which the Property is located.

**DECLARANT:**

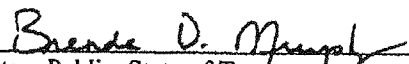
**CASCADE PROPERTIES, LTD.,**  
a Texas limited partnership

By: Cascade Properties GP Corp.,  
a Texas corporation,  
General Partner

By:   
Lew Anderton, President

THE STATE OF TEXAS   §  
                                  §  
COUNTY OF DALLAS   §

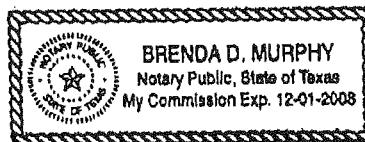
This instrument was acknowledged before me on the 15<sup>th</sup> day of June, 2006, by Lew Anderton, President of Cascade Properties GP Corp., a Texas corporation, General Partner of Cascade Properties, Ltd., a Texas limited partnership, on behalf of said corporation and limited partnership.

  
Notary Public, State of Texas

My Commission Expires:

12-01-2008

\_\_\_\_\_  
Printed Name of Notary Public



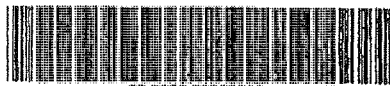
**EXHIBIT "A"**

**ANNEXED LAND**

Lots 19-44, inclusive, Block 1801-B, Lots 1-8, inclusive, Block 1801-N, and Lots 1-11, inclusive, Block 1801-P, Cascades Addition, Unit 5, an addition in Smith County, Texas, according to the plat thereof recorded in Cabinet D, Slides 336-A, B, Land Records, Smith County, Texas.

*Return:  
Landmark Title  
Manual*

Recorded On-2006-Jun-19 As-30632



Smith County  
Judy Carnes  
County Clerk  
Tyler Tx 75702

Instrument Number: 2006-R00030632

Recorded On: June 19, 2006

As  
Recordings - Land

Parties: CASCADE PROPERTIES LTD  
To PUBLIC

Billable Pages: 5  
Number of Pages: 6

Comment: DECLARATION

( Parties listed above are for Clerks reference only )

**\*\* Examined and Charged as Follows: \*\***

Recordings - Land	32.00
Total Recording:	32.00

\*\*\*\*\* DO NOT REMOVE THIS PAGE IS PART OF THE INSTRUMENT \*\*\*\*\*

Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY  
because of color or race is invalid and unenforceable under federal law.

**File Information:**

Document Number: 2006-R00030632  
Receipt Number: 391261  
Recorded Date/Time: June 19, 2006 03:37:10P  
User / Station: G Parks - Cash Station 4

**Record and Return To:**

LANDMARK TITLE  
MANUAL PICK UP  
TYLER TX 75702



I hereby certify that this instrument was filed and duly recorded  
in the Official Records of Smith County, Texas

*Judy Carnes*  
County Clerk  
Smith County, Texas

**THIRD SUPPLEMENTAL DECLARATION  
OF COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR CASCADES**

15

2003443

**THIS THIRD SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CASCADES** (this "Supplemental Declaration") is made and entered into by **CASCADE PROPERTIES, LTD.**, a Texas limited partnership ("Declarant") and **BELLWOOD LAKE PARTNERSHIP, LTD.**, a Texas limited partnership ("Bellwood").

WHEREAS, Declarant is the declarant under that certain Declaration of Covenants, Conditions and Restrictions for Cascades dated as of February 20, 2004, executed by Declarant, recorded in Volume 7613, Page 4, Official Public Records, Smith County, Texas (the "Declaration"), as amended by Supplemental Declaration of Covenants, Conditions and Restrictions for Cascades Designating the Subdivision of Lakeshore Village executed by Declarant, recorded November 15, 2004 in Volume 7657, Page 99, Official Public Records, Smith County, Texas, Supplemental Declaration of Covenants, Conditions and Restrictions for Cascades Designating the Subdivision of Shoreline View Village executed by Declarant, recorded December 20, 2004 in Volume 7681, Page 576, Official Public Records, Smith County, Texas, Supplemental Notice of Dedicatory Instruments For Cascades Homeowners Association, Inc. dated as of September 16, 2004, executed by Cascades Homeowners Association, Inc., recorded in Volume 7613, Page 134, Official Public Records, Smith County, Texas, Appointment of Design Review Committee dated as of August 6, 2005 executed by Declarant, recorded under Document No. 2006-R0011377 in the Official Public Records, Smith County, Texas, Supplemental Declaration of Covenants, Conditions and Restrictions executed by Declarant, recorded under Document No. 2006-R0011378 in the Official Public Records of Smith County, Texas, First Amendment to Declaration of Covenants, Conditions and Restrictions executed by Declarant, recorded under Document No. 2006-R0011379 in the Official Public Records of Smith County, Texas, First Amendment to Supplemental Declaration of Covenants, Conditions and Restrictions for Cascades Designated the Subdivision of Shoreline View Village executed by Declarant, recorded under Document No. 2006-R0011380 in the Official Public Records of Smith County, Texas, First Amendment to Design Guidelines for Cascades executed by Declarant, recorded under Document No. 2006-R0011381 in the Official Public Records of Smith County, Texas, and Second Supplemental Declaration of Covenants, Conditions and Restrictions for Cascades executed by Declarant, recorded under Document No. 2006-R00036304 in the Official Public Records of Smith County, Texas, regarding certain real property more particularly described in the Declaration, reference to which is hereby made for all purposes;

WHEREAS, Declarant and Bellwood are the owners of that certain real property located in Smith County, Texas, more particularly described on Exhibit "A" attached hereto and made a part hereof for all purposes (the "Apartment Tract") and on Exhibit "B" attached hereto and made a part hereof for all purposes (the "Seniors Tract"). The Seniors Tract will consist of one Lot which will be developed for apartment purposes (the "Seniors Apartment Tract") and one or more Lots which will be developed for duplex housing (the "Seniors Duplex Tract"), as shown on the site plan for the Seniors Tract approved by the Design Review Committee. The Apartment Tract and the Seniors Tract are collectively referred to herein as the "Annexed Land");

WHEREAS Declarant and Bellwood desire to have the Annexed Land included in the "Property" defined in the Declaration which is subject to the terms and provisions of the Declaration and the

Association provided for therein and entitled to the rights and benefits of Owners of Lots within the Property pursuant to the rights of Declarant under Section 2.2 of the Declaration;

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Declarant agrees as follows:

1. Addition of Annexed Land. Declarant does hereby annex and subject the Annexed Land to the terms and provision of the Declaration with the same force and effect as if the Annexed Land were originally included in the Declaration as part of the Property and easements are herein created and reserved within the Annexed Land in favor of the Association, Declarant, providers of utility services, Owners, and/or other land entitled to be annexed as set forth in Articles X and XI of the Declaration; provided, however, (i) such annexation is subject to the limitations and conditions contained in Subparagraph 4(b) below, (ii) with the exception of the easement rights granted in Section 10.2 and Section 11.6 (b) and (c) of the Declaration, all easement rights set forth in the Declaration shall, with respect to the Annexed Land, be limited to those areas expressly designated for such easement purposes, if any, as shown on the site plans for the Annexed Land approved by the Design Review Committee or the Plat with respect thereto, and (iii) no portion of the Annexed Land shall constitute Common Property or Privates Streets unless approved in writing by Western Rim in its sole discretion (but notwithstanding any of the above, the Annexed Land shall be subject to any rights expressly retained in the deeds conveying the Annexed Land to Western Rim recorded on or about the date hereof) .

2. Property. For purposes of the Declaration and this Supplemental Declaration, the term Property as defined in the Declaration is hereby amended to mean and include the Annexed Land.

3. Plat. The term "Plat" as used in the Declaration is hereby amended to also include the final plat(s) of the Annexed Land, as recorded in the Land Records of Smith County, Texas.

4. Subject to Declaration.

(a) The Annexed Land is being annexed in accordance with and subject to the provisions of the Declaration as now or hereafter amended, and shall be developed, held, used, sold and conveyed in accordance therewith, except as expressly set forth in subparagraph (b) below. The Annexed Land and the Owners and Residents of the Annexed Land shall be entitled to the same rights, benefits and easements as are granted all other Lots within the Property and the Owners and Residents thereof in the Declaration, including, without limitation, rights and easements of enjoyment in and to the Common Properties (including without limitation, the nature trail system and all walking, jogging and nature/bridal trails and park areas), and will receive all rights, privileges and access to all amenities, Resident social events, newsletters, regular mailings (hard copy mailings and electronic mail delivery as applicable) and other benefits as any other Owner and/or Resident, except as expressly set forth in subparagraph (b) below. All of the provisions of the Declaration shall apply to the Annexed Land with the same force and effect as if the Annexed Land were originally included in the Declaration as part of the Property, except as expressly set forth in subparagraph (b) below.

(b) Solely with respect to the Annexed Land, the following provisions shall apply:



- (i) The following terms shall have the respective meanings indicated:
- (A) The "Applicable Base Maximum Assessment" for each Multifamily Unit shall be as follows: (x) with respect to the Multifamily Units developed on the Apartment Tract and Seniors Apartment Tract, if all of the Required Security Services are being fully provided, then the Applicable Base Maximum Assessment shall be equal to \$20 per month for each Multifamily Unit developed on the Apartment Tract and Seniors Apartment Tract, respectively, but for any period of time that the Required Security Services are not being fully provided, then the Applicable Base Maximum Assessment shall be equal to \$10 per month for each Multifamily Unit developed on the Apartment Tract and Seniors Apartment Tract, respectively, and (y) with respect to the Multifamily Units developed on each legally subdivided lot within the Seniors Duplex Tract, the Applicable Base Maximum Assessment shall be equal to \$25 per month for each Multifamily Unit developed on each such lot (i.e., for each side of a duplex building, or \$50 total per month for each duplex lot) if the Multifamily Unit has been sold by Western Rim to a third party and if the Required Security Services are being fully supplied; but if during any period the duplex Multifamily Unit at issue has not been sold by Western Rim to a third party but instead is vacant or rented out by Western Rim to a third party, or if during any period the Required Security Services are not being fully supplied, then the Applicable Base Maximum Assessment for such duplex Multifamily Unit during such period shall be \$10 per month.
- (B) "Applicable Adjusted Maximum Assessment" for a Multifamily Unit shall mean the lesser of (1) the Applicable Base Maximum Assessment multiplied by a fraction, the numerator of which is the Uniform Single Family Assessment in effect as of the beginning of the adjustment calendar year at issue, and the denominator of which is the 2006 Uniform Single Family Assessment, or (2) the Applicable Base Maximum Assessment multiplied by a fraction, the numerator of which is the Consumer Price Index in effect as of the beginning of the adjustment calendar year at issue, and the denominator of which is the Consumer Price Index in effect at the at the beginning of calendar year 2007; provided, however, from and after calendar year 2038, the Applicable Adjusted Maximum Assessment shall be calculated solely in accordance with (1) above.
- (C) "Assessment Commencement Date" with respect to any Multifamily Unit shall mean the date on which Completion has occurred with respect to such Multifamily Unit.
- (D) "Completed" and "Completion" shall be deemed to have occurred with respect to a Multifamily Unit at such time as the Multifamily

Unit has been substantially completed and ready for occupancy and with a final certificate of occupancy or local equivalent having been issued by the applicable authority for such Multifamily Unit.

- (E) "Consumer Price Index" shall mean the Consumer Price Index for Urban Wage Earners and Clerical Workers for Dallas Fort Worth, Texas: All items, published by the Bureau of Labor Statistics, United States Department of Labor from time to time.
- (F) "Maximum Assessment Amount" shall be as follows: (1) for all periods from the Assessment Commencement Date for the Multifamily Unit at issue and through calendar year 2007, the Maximum Assessment Amount shall be the Applicable Base Maximum Assessment applicable to the Multifamily Unit at issue, and (2) for calendar years 2008 and thereafter, the Maximum Assessment Amount shall be the Applicable Adjusted Maximum Assessment applicable to the Multifamily Unit at issue.
- (G) "Purchase Contract" shall mean that certain Purchase Contract dated August \_\_, 2006, entered into by and between Declarant, Bellwood and Western Rim Investment Advisors, Inc, whose interests have been partially assigned to Western Rim.
- (H) "Required Security Services" shall mean collectively, that all of the following have occurred: (1) a guard house has been built at and to secure the main/front entry to Cascades (as currently contemplated on Declarant's development plans for the Community) and (2) all other entry(ies) (other than emergency access crash gate entries) each shall be either (AA) manned and operated with at least one qualified employee providing controlled access twenty-four (24) hours per day, seven (7) days per week or (BB) gated twenty-four (24) hours per day with a remote tele-entry access system and remote camera access system limiting access to residents only. Notwithstanding any provision contained herein to the contrary, nothing contained herein shall obligate or require Declarant or the Association to provide the Required Security Services.
- (I) "Spa Facility" shall have the meaning set forth in the Purchase Contract.
- (J) "Spa Facility Completion Date" shall have the meaning set forth in the Purchase Contract.
- (K) "Uniform Single Family Assessment" shall mean the uniform Annual Assessment levied by the Association against Lots within a Residential Parcel following the conveyance of a Lot by Declarant to a third party.

- (L) "Western Rim" shall mean Western Rim Investors 2006-3, L.P. with respect to the Apartment Tract, and Western Rim Investors 2006-5, L.P. with respect to the Seniors Tract.
- (M) "2006 Uniform Single Family Assessment" shall mean \$60 per month.
- (ii) The Apartment Tract, the Seniors Apartment Tract and each legally subdivided lot within the Seniors Duplex Tract are each designated as Multifamily Parcels for purposes of the Declaration.
- (iii) The number of votes which may be cast by Class A Members with respect to the Multifamily Parcels comprising the Apartment Tract and the Seniors Apartment Tract shall be the number equal to the product obtained by multiplying the number of Multifamily Units in the Apartment Tract and the Seniors Apartment Tract by one-fifth (1/5).
- (iv) The number of votes which may be cast by a Class A Member owning a Lot which is a Multifamily Parcel within the Seniors Duplex Tract shall be one (1) vote for each Lot.
- (v) The maximum amount of Annual, Special and Subdivision Assessments payable with respect to each Multifamily Parcel comprising the Apartment Tract, the Seniors Apartment Tract and each legally subdivided lot within the Seniors Duplex Tract shall be the Maximum Assessment Amount (as hereinafter defined) per Multifamily Unit located on such Multifamily Parcel, commencing, with respect to a Multifamily Unit, as of the Assessment Commencement Date for such Multifamily Unit. Except for Individual Assessments levied under the Declaration for violations attributable to the Property or any portion thereof or user fees and charges levied pursuant to Section 3.7 of the Declaration on a per use basis only, in no event shall Assessments ever exceed the limitations specified above for any reason unless approved by Western Rim in writing (which approval may be withheld or granted in the sole discretion of Western Rim); provided, however, if Western Rim does not complete construction of the Spa Facility prior to the Spa Facility Completion Date, during such time between the Spa Facility Completion Date and the actual completion of the Spa Facility, the Maximum Assessment Amount for any Multifamily Unit shall be double the Maximum Assessment Amount which would otherwise be applicable.
- (vi) For purposes of the Apartment Tract and the Seniors Tract and Section 5.1 of the Design Guidelines, the Home Site Diagram, Building Area and setback lines shall be as set forth in the plans and specifications approved by the Design Review Committee by letter dated August 11, 2006.

- (vii) Declarant may not designate the Apartment Tract, the Seniors Apartment Tract and/or the Seniors Duplex Tract as a Subdivision pursuant to the Declaration without the written consent, in the case of the Apartment Tract and the Seniors Apartment Tract, of the Owner of the applicable property, and, in the case of the Seniors Duplex Tract, the Owners of a majority of Lots in the Seniors Duplex Tract.
- (viii) The indemnity of Declarant by the Owners of the Apartment Tract and Seniors Tract set forth in Section 11.3(b) of the Declaration shall be limited to claims described therein asserted by such respective Owners.
- (ix) The provisions of Section 12.1 of the Declaration shall not be applicable to the Owners of the Apartment Tract, the Seniors Apartment Tract or the Seniors Duplex Tract: provided, however, upon the conveyance of a Lot within the Seniors Duplex Tract by Western Rim to a third party that is not also acquiring substantially all of the Seniors Duplex Tract, the provisions of Section 12.1 shall be applicable to such Lot.
- (x) No amendment to the provisions of the Declaration pursuant to Section 12.4 thereof that affects the easements, rights and privileges and/or the burdens and restrictions imposed upon the Apartment Tract and/or Seniors Tract shall be binding upon or applicable to the Apartment Tract and/or Seniors Tract unless consented thereto in writing by the Owners of the Apartment Tract or Seniors Tract, as applicable.

5. Assessment Lien; Remedies. An Assessment Lien is herein created and reserved in each Lot within the Annexed Land in favor of the Association to secure collection of the Assessments (as limited hereunder) as provided in the Declaration. Enforcement of the covenants of the Declaration with respect to the Annexed Land may be initiated by any proceeding at law or in equity against any Person or Persons violating or attempting to violate them, whether the relief sought is an injunction or recovery of damages, or both, or enforcement of any lien created by these Covenants.

6. Severability. If any term or provision of this Supplemental Declaration or the application of it to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Supplemental Declaration or the application of such term or provision to persons or circumstances, other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Supplemental Declaration shall be valid and shall be enforced to the extent permitted by law.


7. Miscellaneous. This Supplemental Declaration is executed by Declarant pursuant to the authority granted under Section 2.2 of the Declaration. Unless otherwise defined herein, all capitalized terms shall have the meaning of those same terms in the Declaration.

EXECUTED to be effective as of the day and year when recorded in the office of the County Clerk of the county in which the Property is located.

**DECLARANT:**

**CASCADE PROPERTIES, LTD.,**  
a Texas limited partnership

By: Cascade Properties GP Corp.,  
a Texas corporation,  
General Partner

By:   
Lew Anderton, President

THE STATE OF TEXAS    §  
                          Tarrant   §  
COUNTY OF ~~DALLAS~~   §

This instrument was acknowledged before me on the 18 day of July, 2006, by Lew Anderton, President of Cascade Properties GP Corp., a Texas corporation, General Partner of Cascade Properties, Ltd., a Texas limited partnership, on behalf of said corporation and limited partnership.



My Commission Expires:

12-27-2006

David M. Mellina

Notary Public, State of Texas

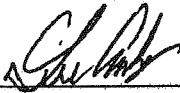
David M. Mellina

Printed Name of Notary Public

Bellwood has joined herein for the purpose of subjecting any portion of the Annexed Land owned by Bellwood to the terms and provisions of the foregoing Supplemental Declaration.

BELLWOOD LAKE PARTNERSHIP, LTD., a Texas limited partnership

By: Bellwood Lake GP Corp, a Texas corporation, its general partner

By:   
Lew Anderton, President

THE STATE OF TEXAS       §  
  §  
COUNTY OF Tarrant       §

This instrument was acknowledged before me on the 18 day of July, 2006, by Lew Anderton, President of Bellwood Lake GP Corp, a Texas corporation, General Partner of Bellwood Lake Partnership, Ltd., a Texas limited partnership, on behalf of said corporation and limited partnership.



My Commission Expires:  
12-27-2006

David M. Mellina  
Notary Public, State of Texas  
David M. Mellina  
Printed Name of Notary Public

**EXHIBIT "A"**

**Apartment Tract**

**TRACT 1**

**STATE OF TEXAS  
COUNTY OF SMITH**

BEING all that tract of land in Smith County, Texas, out of the McKinney & Williams Survey, Abstract No. 727, McKinney & Williams, Abstract No. 728, S.A. & M.G.R.R. Survey, Abstract No. 963, and L. H. Ashcraft Survey, Abstract No. 48, and being part of that called 49.214 acres of land described in a deed to Cascade Properties, LTD. as recorded in Volume 7759, Page 359 of the Official Public Records of Smith County, Texas, and part of that called 146.1722 acres of land described in a deed to Bellwood Lake Partnership, LTD. as recorded in Volume 6492, Page 290 of the Official Public Records of Smith County, Texas, and being further described as follows:

BEGINNING at a ½ inch steel rod found at the North corner of Lot 12, Block 2 of the Briarwood Estates, Unit 1 as recorded in Cabinet B, Slide 260-B of the Plat Records of Smith County, Texas, and the East corner of Lot 13 of said addition;

THENCE North 88 degrees 32 minutes 44 seconds West, 749.02 feet to a ½ inch steel rod found for corner;

THENCE South 00 degrees 57 minutes 37 seconds East, 5.04 feet to a ½ inch steel rod set for corner;

THENCE South 43 degrees 21 minutes 30 seconds West, 267.24 feet to a ½ inch steel rod set for corner;

THENCE Southwesterly, 29.41 feet along a curve to the left having a radius of 38.00 feet and a central angle of 44 degrees 20 minutes 12 seconds (Chord bears South 21 degrees 11 minutes 24 seconds West, 28.68 feet) to a ½ inch steel rod set for corner;

THENCE South 00 degrees 58 minutes 42 seconds East, 316.22 feet to a ½ inch steel rod set for corner;

THENCE Southeasterly, 20.42 feet along a curve to the left having a radius of 13.00 feet and a central angle of 90 degrees 00 minutes 00 seconds (Chord bears South 45 degrees 58 minutes 42 seconds East, 18.38 feet) to a ½ inch steel rod set for corner;

THENCE North 89 degrees 01 minutes 18 seconds East, 184.42 feet to a ½ inch steel rod set in the East line of said 49.214 acres and in the West line of Lot 17, Block 4 of said addition;

THENCE South 00 degrees 57 minutes 38 seconds East, 407.27 feet to a ½ inch steel rod set in the East line of said 49.214 acres and the West line of Lot 21, Block 4 of said addition;

THENCE South 88 degrees 43 minutes 01 seconds West, 330.26 feet to a ½ inch steel rod set for corner;

THENCE South 00 degrees 43 minutes 13 seconds East, 168.59 feet to a ½ inch steel rod set for corner;

THENCE South 88 degrees 33 minutes 58 seconds West, 458.24 feet to a ½ inch steel rod set for corner;

THENCE North 01 degrees 26 minutes 02 seconds West, 141.53 feet to a ½ inch steel rod set for corner;

THENCE North 37 degrees 47 minutes 34 seconds East, 27.30 feet to a ½ inch steel rod set for corner;

THENCE North 50 degrees 54 minutes 18 seconds West, 27.19 feet to a ½ inch steel rod set for corner;

THENCE Northwesterly, 36.10 feet along a curve to the left having a radius of 84.48 feet and a central angle of 24 degrees 29 minutes 10 seconds (Chord bears North 63 degrees 08 minutes 53 seconds West, 35.83 feet) to a 1/2 inch steel rod set for corner;

THENCE North 75 degrees 23 minutes 28 seconds West, 23.12 feet to a 1/2 inch steel rod set in the East line of Hogan Drive;

THENCE Northeasterly, 50.27 feet along said line of Hogan Drive and a curve to the left having a radius of 280.00 feet and a central angle of 10 degrees 17 minutes 12 seconds (Chord North 09 degrees 27 minutes 57 seconds East, 50.20 feet) to a 1/2 inch steel rod set for corner;

THENCE South 75 degrees 23 minutes 28 seconds East, 27.62 feet to a 1/2 inch steel rod set for corner;

THENCE Southeasterly, 57.47 feet along a curve to the right having a radius of 134.48 feet and a central angle of 24 degrees 29 minutes 10 seconds (Chord bears South 63 degrees 08 minutes 53 seconds East, 57.04 feet) to a 1/2 inch steel rod set for corner;

THENCE South 50 degrees 54 minutes 18 seconds East, 42.34 feet to a 1/2 inch steel rod set for corner;

THENCE North 26 degrees 53 minutes 21 seconds East, 57.57 feet to a ½ inch steel rod set for corner;

THENCE Northeasterly, 30.59 feet along a curve to the left having a radius of 87.81 feet and a central angle of 19 degrees 57 minutes 38 seconds (Chord bears North 14 degrees 57 minutes 57 seconds East, 30.44 feet) to a ½ inch steel rod set for corner;

THENCE North 04 degrees 59 minutes 09 seconds East, 281.57 feet to a ½ inch steel rod set for corner;

THENCE North 00 degrees 20 minutes 02 seconds East, 166.37 feet to a ½ inch steel rod set for corner;



THENCE North 13 degrees 46 minutes 46 seconds East, 13.95 feet to a ½ inch steel rod set for corner;

THENCE North 27 degrees 13 minutes 29 seconds East, 38.64 feet to a ½ inch steel rod set for corner;

THENCE North 16 degrees 57 minutes 14 seconds East, 16.36 feet to a ½ inch steel rod set for corner;

THENCE North 20 degrees 37 minutes 57 seconds East, 40.46 feet to a ½ inch steel rod set for corner;

THENCE North 48 degrees 31 minutes 53 seconds West, 22.78 feet to a ½ inch steel rod set for corner;

THENCE Northeasterly, 258.75 feet along a curve to the right having a radius of 518.03 feet and a central angle of 28 degrees 37 minutes 08 seconds (Chord bears North 32 degrees 57 minutes 16 seconds East, 256.07 feet) to a ½ inch steel rod set for corner;

THENCE North 47 degrees 15 minutes 50 seconds East, 84.99 feet to a ½ inch steel rod set for corner;

THENCE Northeasterly, 140.13 feet along a curve to the left having a radius of 507.76 feet and a central angle of 15 degrees 48 minutes 44 seconds (Chord bears North 41 degrees 45 minutes 15 seconds East, 139.69 feet) to a ½ inch steel rod set for corner;

THENCE South 46 degrees 38 minutes 30 seconds East, 256.00 feet to a ½ inch steel rod set for corner;

THENCE North 43 degrees 21 minutes 30 seconds East, 80.09 feet to a ½ inch steel rod set for corner;

THENCE North 46 degrees 38 minutes 30 seconds West, 12.00 feet to a ½ inch steel rod set for corner;

THENCE North 43 degrees 21 minutes 30 seconds East, 106.04 feet to a ½ inch steel rod set for corner;

THENCE Northeasterly, 83.94 feet along a curve to the right having a radius of 100.00 feet and a central angle of 48 degrees 05 minutes 46 seconds (Chord bears North 67 degrees 24 minutes 23 seconds East, 81.50 feet) to a ½ inch steel rod set for corner;

THENCE South 88 degrees 32 minutes 44 seconds East, 136.55 feet to a ½ inch steel rod set for corner;

THENCE North 01 degrees 03 minutes 17 seconds East, 77.81 feet to a ½ inch steel rod set for corner;

THENCE South 88 degrees 56 minutes 43 seconds East, 176.99 feet to a ½ inch steel rod set for corner;

THENCE North 01 degrees 22 minutes 40 seconds East, 40.74 feet to a ½ inch steel rod set for corner;

THENCE South 89 degrees 48 minutes 44 seconds East, 190.05 feet to a ½ inch steel rod set for corner;

THENCE South 00 degrees 11 minutes 16 seconds West, 77.18 feet to a ½ inch steel rod set for corner;

THENCE South 83 degrees 28 minutes 47 seconds East, 182.10 feet to a ½ inch steel rod set for corner;

THENCE South 05 degrees 42 minutes 03 seconds West, 43.36 feet to a ½ inch steel rod set for corner;

THENCE Southeasterly, 119.08 feet along a curve to the right having a radius of 73.00 feet and a central angle of 93 degrees 27 minutes 59 seconds (Chord bears South 48 degrees 30 minutes 13 seconds East, 106.31 feet) to a ½ inch steel rod set for corner;

THENCE North 83 degrees 17 minutes 26 seconds East, 43.73 feet to a ½ inch steel rod set for corner;

THENCE South 06 degrees 42 minutes 35 seconds East, 167.33 feet to a ½ inch steel rod set for corner;

THENCE South 04 degrees 43 minutes 11 seconds West, 182.81 feet to a ½ inch steel rod set for corner;

THENCE South 71 degrees 39 minutes 26 seconds East, 149.48 feet to a ½ inch steel rod set for corner;

THENCE South 64 degrees 39 minutes 14 seconds East, 152.36 feet to a ½ inch steel rod set for corner;

THENCE North 44 degrees 34 minutes 40 seconds East, 7.86 feet to a ½ inch steel rod set for corner;

THENCE South 55 degrees 39 minutes 26 seconds East, 328.12 feet to a ½ inch steel rod set for corner;

THENCE EAST, 108.48 feet to a ½ inch steel rod set for corner;

THENCE South 87 degrees 38 minutes 34 seconds East, 124.37 feet to a ½ inch steel rod set for corner;

THENCE South 00 degrees 24 minutes 47 seconds East, 107.37 feet to a ½ inch steel rod found;

THENCE South 89 degrees 35 minutes 13 seconds West, 876.30 feet to a pipe found in the East line of Lot 6, Block 2 of said addition;

THENCE North 01 degrees 21 minutes 22 seconds West, 769.53 feet to the Point of Beginning, containing 21.892 acres of land.

TRACT 2

STATE OF TEXAS  
COUNTY OF SMITH

BEING all that tract of land in Smith County, Texas, out of the McKinney & Williams Survey, Abstract No. 727, and being a part of that called 49.214 acres of land described in a deed to Cascade Properties, LTD. as recorded in Volume 7759, Page 359 of the Official Public Records of Smith County, Texas;

COMMENCING at a ½ inch steel rod found at an inside corner of said 49.214 acres, being also an outside corner of that called 146.1722 acres of land described in a deed to Bellwood Lake Partnership, LTD. as recorded in Volume 6492, Page 290 of the Official Public Records of Smith County, Texas; THENCE South 89 degrees 08 minutes 48 seconds West, 54.48 feet to a point on the East line of the proposed extension of Hogan Drive; THENCE North 00 degrees 12 minutes 24 seconds West, 88.11 feet along said extension to a ½ inch steel rod set at a point of curve; THENCE Northeasterly, 266.29 feet along a curve to the right having a radius of 320.00 feet and a central angle of 47 degrees 40 minutes 44 seconds (Chord bears North 23 degrees 37 minutes 58 seconds East, 258.67 feet to the Point of Beginning of this tract;

THENCE Northeasterly, 64.36 feet along a curve to the right having a radius of 320.00 feet and a central angle of 11 degrees 31 minutes 28 seconds (Chord bears North 53 degrees 14 minutes 04 seconds East, 64.26 feet) to a ½ inch steel rod set for the point of tangency;

THENCE North 58 degrees 59 minutes 48 seconds East, 6.15 feet continuing with said extension to a point for corner;

THENCE South 48 degrees 31 minutes 53 seconds East, 81.38 feet to a point for corner;

THENCE Southwesterly, 72.71 feet along a curve to the left having a radius of 518.03 feet and a central angle of 08 degrees 02 minutes 29 seconds (Chord bears South 22 degrees 39 minutes 57 seconds West, 72.65 feet) to a point for corner;

THENCE North 48 degrees 31 minutes 53 seconds West, 119.75 feet to the Point of Beginning, containing 0.159 acres of land.

## **EXHIBIT "B"**

### **Seniors Tract**

STATE OF TEXAS  
COUNTY OF SMITH.

BEING all that tract of land in Smith County, Texas, out of the McKinney & Williams Survey, Abstract No. 728 and L. H. Ashcraft Survey, Abstract No. 48, and being part of that called 49.214 acres of land described in a deed to Cascade Properties, LTD. as recorded in Volume 7759, Page 359 of the Official Public Records of Smith County, Texas, and being further described as follows:

BEGINNING at a 1/2 inch steel rod found at the Southeast corner of said 49.214 acres;

THENCE South 89 degrees 17 minutes 56 seconds West, 358.68 feet along the South line of said 49.214 acres to a 1/2 inch steel rod set for corner;

THENCE North, 14.82 feet to a 1/2 inch steel rod set for corner;

THENCE West, 379.69 feet to a 1/2 inch steel rod set for corner;

THENCE North 70 degrees 45 minutes 24 seconds West, 48.55 feet to a 1/2 inch steel rod set for corner;

THENCE Northwesterly, 327.72 feet along a curve to the right having a radius of 227.00 feet and a central angle of 82 degrees 43 minutes 01 seconds (Chord bears North 42 degrees 22 minutes 23 seconds West, 299.99 feet) to a 1/2 inch steel rod set for corner;

THENCE North 01 degrees 00 minutes 52 seconds West, 301.61 feet to a 1/2 inch steel rod set for corner;

THENCE North 54 degrees 21 minutes 35 seconds East, 157.24 feet to a 1/2 inch steel rod set for corner;

THENCE North 40 degrees 30 minutes 05 seconds West, 177.00 feet to a 1/2 inch steel rod set on the Southeast line of the proposed extension of Hogan Drive;

THENCE North 48 degrees 25 minutes 50 seconds East, 40.35 feet to a 1/2 inch steel rod set at a point of curve;

THENCE Northeasterly, 26.46 feet along a curve to the left having a radius of 280.00 feet and a central angle of 05 degrees 24 minutes 52 seconds (Chord bears North 45 degrees 43 minutes 24 seconds East, 26.45 feet) to a 1/2 inch steel rod set for corner;

THENCE Southeasterly, 199.86 feet along a curve to the right having a radius of 651.27 feet and a central angle of 17 degrees 34 minutes 56 seconds (Chord bears South 40 degrees 50 minutes 48 seconds East, 199.07 feet) to a 1/2 inch steel rod set for corner;

THENCE North 01 degrees 26 minutes 02 seconds West, 68.79 feet to a 1/2 inch steel rod set for corner;

THENCE North 88 degrees 33 minutes 58 seconds East, 458.24 feet to a 1/2 inch steel rod set for corner;

THENCE North 00 degrees 43 minutes 13 seconds West, 168.59 feet to a 1/2 inch steel rod set for corner;

THENCE North 88 degrees 43 minutes 01 seconds East, 330.26 feet to a 1/2 inch steel rod set in the West line of Lot 21, Block 4 of the Briarwood Estates, Unit 1 as recorded in Cabinet B, Slide 260-B of the Plat Records of Smith County, Texas;

THENCE South 00 degrees 57 minutes 38 seconds East, 777.45 feet to a point, from which a 1/2 inch steel rod found bears North 54 degrees 31 minutes 39 seconds West, 0.79 feet for witness;

THENCE South 00 degrees 47 minutes 45 seconds East, 149.36 feet to the Point of Beginning, containing 17.445 acres of land.



70 2006 00040926

Smith County  
Judy Carnes  
County Clerk  
Tyler Tx 75702

Instrument Number: 2006-R00040926

As

Recorded On: August 16, 2006

Recordings - Land

Parties: CASCADE PROPERTIES LTD ETAL

Billable Pages: 15

To CASCADES

Number of Pages: 16

Comment: THIRD SUPPLEMENT

( Parties listed above are for Clerks reference only )

**\*\* Examined and Charged as Follows: \*\***

Recordings - Land	72.00
Total Recording:	72.00

\*\*\*\*\* DO NOT REMOVE THIS PAGE IS PART OF THE INSTRUMENT \*\*\*\*\*

Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY  
because of color or race is invalid and unenforceable under federal law.

**File Information:**

Document Number: 2006-R00040926

Receipt Number: 398778

Recorded Date/Time: August 16, 2006 12:45:49P

**Record and Return To:**

LANDMARK TITLE

MANUAL PICK UP

TYLER TX 75702

User / Station: R Calderon - Cash Station 1



I hereby certify that this instrument was filed and duly recorded  
in the Official Records of Smith County, Texas

*Judy Carnes*

County Clerk  
Smith County, Texas



more Lots which will be developed with Condominium Units, as shown on the site plan for the Condominium Tract approved by the Design Review Committee. The Cottage Tract may consist of either (a) one Lot developed with Condominium Units or (b) one or more Lots each developed with a Residence (each, a "Cottage"), as shown on the site plan for the Cottage Tract approved by the Design Review Committee. The Condominium Tract and the Cottage Tract are collectively referred to herein as the "Annexed Land";

WHEREAS Declarant and BELLWOOD desires to have the Annexed Land included in the "Property" defined in the Declaration which is subject to the terms and provisions of the Declaration and the Association provided for therein and entitled to the rights and benefits of Owners of Lots within the Property pursuant to the rights of Declarant under Section 2.2 of the Declaration;

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Declarant agrees as follows:

1. Addition of Annexed Land. Declarant does hereby annex and subject the Annexed Land to the terms and provision of the Declaration with the same force and effect as if the Annexed Land were originally included in the Declaration as part of the Property and easements are herein created and reserved within the Annexed Land in favor of the Association, Declarant, providers of utility services, Owners, and/or other land entitled to be annexed as set forth in Articles X and XI of the Declaration; provided, however, (i) such annexation is subject to the limitations and conditions contained in Subparagraph 4(b) below, (ii) with the exception of the easement rights granted in Section 10.2 and Section 11.6 (b) and (c) of the Declaration, all easement rights set forth in the Declaration shall, with respect to the Annexed Land, be limited to those areas expressly designated for such easement purposes, if any, as shown on the site plans for the Annexed Land approved by the Design Review Committee or the Plat with respect thereto, and (iii) no portion of the Annexed Land shall constitute Common Property or Private Streets unless approved in writing by Western Rim in its sole discretion (but notwithstanding any of the above, the Annexed Land shall be subject to any rights expressly retained in the deeds conveying the Annexed Land to Western Rim recorded on or about the date hereof) .

2. Property. For purposes of the Declaration and this Supplemental Declaration, the term Property as defined in the Declaration is hereby amended to mean and include the Annexed Land.

3. Plat. The term "Plat" as used in the Declaration is hereby amended to also include the final plat(s) of the Annexed Land, as recorded in the Land Records of Smith County, Texas.

4. Subject to Declaration.

(a) The Annexed Land is being annexed in accordance with and subject to the provisions of the Declaration as now or hereafter amended, and shall be developed, held, used, sold and conveyed in accordance therewith, except as expressly set forth in subparagraph (b) below. The Annexed Land and the Owners and Residents of the Annexed



Land shall be entitled to the same rights, benefits and easements as are granted all other Lots within the Property and the Owners and Residents thereof in the Declaration, including, without limitation, rights and easements of enjoyment in and to the Common Properties (including without limitation, the nature trail system and all walking, jogging and nature/bridal trails and park areas), and will receive all rights, privileges and access to all amenities, Resident social events, newsletters, regular mailings (hard copy mailings and electronic mail delivery as applicable) and other benefits as any other Owner and/or Resident, except as expressly set forth in subparagraph (b) below. All of the provisions of the Declaration shall apply to the Annexed Land with the same force and effect as if the Annexed Land were originally included in the Declaration as part of the Property, except as expressly set forth in subparagraph (b) below.

(b) Solely with respect to the Annexed Land, the following provisions shall apply:

- (i) The following terms shall have the respective meanings indicated:
  - (A) "Applicable Base Maximum Assessment" for each Condominium Unit developed on the Condominium Tract and for each Condominium Unit or Cottage developed on the Cottage Tract shall be \$20 per month.
  - (B) "Applicable Adjusted Maximum Assessment" for a Condominium Unit or Cottage shall mean the Applicable Base Maximum Assessment multiplied by a fraction, the numerator of which is the Uniform Single Family Assessment in effect as of the beginning of the adjustment calendar year at issue, and the denominator of which is the 2006 Uniform Single Family Assessment.
  - (C) "Assessment Commencement Date" with respect to any Condominium Unit or Cottage shall mean the date on which Completion has occurred with respect to such Condominium Unit or Cottage.
  - (D) "Completed" and "Completion" shall be deemed to have occurred with respect to a Condominium Unit or Cottage at such time as the Condominium Unit or Cottage has been substantially completed and ready for occupancy and with a final certificate of occupancy or local equivalent having been issued by the applicable authority for such Condominium Unit or Cottage.
  - (E) "Maximum Assessment Amount" shall be as follows: (1) for all periods from the Assessment Commencement Date for the Condominium Unit or Cottage at issue and through calendar

year 2007, the Maximum Assessment Amount shall be the Applicable Base Maximum Assessment applicable to the Condominium Unit or Cottage at issue, and (2) for calendar years 2008 and thereafter, the Maximum Assessment Amount shall be the Applicable Adjusted Maximum Assessment applicable to the Condominium Unit or Cottage at issue.

- (F) "Uniform Single Family Assessment" shall mean the uniform Annual Assessment levied by the Association against Lots within a Residential Parcel following the conveyance of a Lot by Declarant to a third party.
  - (G) "Western Rim" shall mean Western Rim Investors 2006-6, L.P.
  - (H) "2006 Uniform Single Family Assessment" shall mean \$60 per month.
- (ii) The Condominium Tract is designated as a Condominium Parcel for purposes of the Declaration. The Cottage Tract, if developed as one Lot with Condominium Units, is designated as a Condominium Parcel for purposes of the Declaration, and, if developed as one or more Lots each developed with a Residence, is designated as a Residential Parcel for purposes of the Declaration.
  - (iii) The following provisions shall apply to the Condominium Tract (or applicable portions thereof if the Condominium Tract is subdivided into Condominium Units by more than one declaration of condominium) and the Cottage Tract, whether developed as one Lot with Condominium Units or developed as one or more Lots each developed as a Residence:
    - (A) The Condominium Tract and Cottage Tract shall not lose its character as a Lot for purposes of the Declaration by virtue of being subdivided into Condominium Units by a declaration of condominium or similar instrument or further subdivided into separately platted residential lots governed by a lot association.
    - (B) The Owner of the Condominium Tract and Class A Member of the Association under the Declaration shall be deemed for purposes of the Declaration to be the condominium association established pursuant to a declaration of condominium applicable to the Condominium Tract (the "Condominium Association") even though same is not

actually the owner of fee simple title to the Condominium Tract. Constituent members of the Condominium Association shall not be deemed to be Members for voting or any other purposes under the Declaration.

- (C) The Owner of the Cottage Tract and Class A Member of the Association under the Declaration shall be deemed for purposes of the Declaration to be the condominium association or lot association established pursuant to a declaration of condominium or covenants applicable to the Cottage Tract (the "Cottage Association") even though same is not actually the owner of fee simple title to the Cottage Tract. Constituent members of the Cottage Association shall not be deemed to be Members for voting or any other purposes under the Declaration.
- (D) The Condominium Association and the Cottage Association shall each be jointly and severally liable with its members for any violation of the covenants and restrictions set forth in the Declaration.
- (E) The Condominium Association shall be primarily liable to the Association and the other Owners for the timely payment of any Assessments levied against the Condominium Tract pursuant to the terms of the Declaration, notwithstanding that that individual owners of Condominium Units within the Condominium Tract may be responsible for reimbursement to the Condominium Association for such assessed amounts pursuant to the terms of any association documents (as applicable) of the Condominium Association (the "Condominium Governing Documents").
- (F) The Cottage Association shall be primarily liable to the Association and the other Owners for the timely payment of any Assessments levied against the Cottage Tract pursuant to the terms of the Declaration, notwithstanding that that individual owners of Condominium Units or Cottages within the Cottage Tract may be responsible for reimbursement to the Cottage Association for such assessed amounts pursuant to the terms of any association documents (as applicable) of the Cottage Association (the "Cottage Governing Documents").
- (G) In the event the Condominium Association defaults in its obligations under the Declaration, including its obligation to

pay any Assessments levied by the Association, then the Association shall have all of the rights and remedies afforded at law or in the Declaration, including the right to initiate such legal action as may be required to enforce the provisions of the Declaration against the Condominium Association, and, as appropriate, against individual owners of Condominium Units within the Condominium Tract; provided, however, that no Condominium Unit owner (or the holder of any mortgage on such owner's Condominium Unit) shall be liable for any obligation of the Owner of the Condominium Tract in excess of a percentage of such liability equal to the percentage interest in the common elements in the Condominium Unit attributable to such Condominium Unit as shown in the Condominium Governing Documents. Upon the written request of any Condominium Unit owner (or any-lienholder with respect to a Condominium Unit), the Association shall report to such Condominium Unit owner or lienholder any unpaid Assessments which are delinquent. Upon payment by a Condominium Unit owner to the Association of such amount for which a Condominium Unit owner may be liable, (i) any lien arising against such Condominium Unit owner's unit on account of such claim shall be deemed released against such Condominium Unit owner's unit without further act or deed by any such owner, and (ii) upon the written request of such owner and at the expense of such owner, the Association shall deliver to such owner an instrument evidencing the release of such lien, but only with respect to said owner's Condominium Unit.

- (H) In the event the Cottage Association defaults in its obligations under the Declaration, including its obligation to pay any Assessments levied by the Association, then the Association shall have all of the rights and remedies afforded at law or in the Declaration, including the right to initiate such legal action as may be required to enforce the provisions of the Declaration against the Cottage Association, and, as appropriate, against individual owners of Condominium Units or Cottages within the Cottage Tract; provided, however, that no Condominium Unit or Cottage owner (or the holder of any mortgage on such owner's Condominium Unit or Cottage) shall be liable for any obligation of the Owner of the Cottage Tract in excess of a percentage of such liability equal to the proportionate share of such Assessments required to be reimburse by such owner as shown in the Cottage Governing Documents. Upon the written request of any Condominium

Unit or Cottage owner (or any lienholder with respect to a Condominium Unit or Cottage), the Association shall report to such Condominium Unit or Cottage owner or lienholder any unpaid Assessments which are delinquent. Upon payment by a Condominium Unit or Cottage owner to the Association of such amount for which a Condominium Unit or Cottage owner may be liable, (i) any lien arising against such Condominium Unit or Cottage owner's unit on account of such claim shall be deemed released against such Condominium Unit or Cottage owner's unit without further act or deed by any such owner, and (ii) upon the written request of such owner and at the expense of such owner, the Association shall deliver to such owner an instrument evidencing the release of such lien, but only with respect to said owner's Condominium Unit or Cottage.

- (I) The Condominium Governing Documents and Cottage Governing Documents shall be required to expressly provide for the following:
  - (i) The Condominium Association or Cottage Association, as applicable, shall be obligated to ensure the compliance by the owners of Condominium Units or Cottages with all of the terms, obligations, covenants, conditions and restrictions set forth in the Declaration;
  - (ii) The Condominium Association or Cottage Association shall have the sole and exclusive right, duty and obligation to enforce the rights of the Owner pursuant to the Declaration, and such right of enforcement shall not extend to any individual owner of a Condominium Unit or Cottage.
  - (iii) Assessments levied by the Association against the Condominium Tract or Cottage Tract pursuant to the Declaration shall be specifically identified in the Condominium Governing Documents and Cottage Governing Documents, as applicable, as a common expense of all owners of Condominium Units or Cottages, as applicable.
  - (iv) The Condominium Association or Cottage Association, as applicable, shall be liable and responsible to the Association for its compliance, as

well as the compliance by individual owners of Condominium Units and Cottages with the covenants, restrictions and requirements of the Declaration and the articles of incorporation, by-laws, and rules and regulations of the Association. Accordingly, while the Association shall have the right (exercisable at its sole option) to proceed against such an owner for such owner's violation of the Declaration, it shall also have a direct right to do so against the Condominium Association or Cottage Association, as applicable (even if the violation is not caused by such Condominium Association or Cottage Association or any of its other owners).

- (iv) The number of votes which may be cast by the Class A Member with respect to the Condominium Tract shall be the number equal to the product obtained by multiplying the number of Condominium Units in the Condominium Tract by one-half (1/2).
- (v) The number of votes which may be cast by the Class A Member with respect to the Cottage Tract shall be one (1) vote for each Condominium Unit or Cottage.
- (vi) The maximum amount of Annual, Special and Subdivision Assessments payable with respect each Condominium Unit or Cottage within the Condominium Tract and Cottage Tract shall be the Maximum Assessment Amount. Except for Individual Assessments levied under the Declaration for violations attributable to the Property or any portion thereof or user fees and charges levied pursuant to Section 3.7 of the Declaration on a per use basis only, in no event shall Assessments ever exceed the limitations specified above for any reason unless approved by Western Rim in writing (which approval may be withheld or granted in the sole discretion of Western Rim).
- (vii) For purposes of the Condominium Tract and Cottage Tract and Section 5.1 of the Design Guidelines, the Home Site Diagram, Building Area and setback lines shall be as set forth in the plans and specifications approved by the Design Review Committee by letter dated October 27, 2006.
- (viii) Declarant may not designate the Condominium Tract and/or Cottage Tract as a Subdivision pursuant to the Declaration without the written consent of the Condominium Association or Cottage Association, as applicable.

- (viii) The indemnity of Declarant by the Owners of the Condominium Tract and Cottage Tract set forth in Section 11.3(b) of the Declaration shall be limited to claims described therein asserted by such respective Owners.
- (ix) The provisions of Section 12.1 of the Declaration shall not be applicable to the Owners of the Condominium Tract or Cottage Tract.
- (x) No amendment to the provisions of the Declaration pursuant to Section 12.4 thereof that affects the easements, rights and privileges and/or the burdens and restrictions imposed upon the Condominium Tract and/or Cottage Tract shall be binding upon or applicable to the Condominium Tract and/or Cottage Tract unless consented thereto in writing by the Condominium Association or Cottage Association, as applicable.

5. Assessment Lien; Remedies. An Assessment Lien is herein created and reserved in each Lot and Condominium Unit within the Annexed Land in favor of the Association to secure collection of the Assessments (as limited hereunder) as provided in the Declaration. Enforcement of the covenants of the Declaration with respect to the Annexed Land may be initiated by any proceeding at law or in equity against any Person or Persons violating or attempting to violate them, whether the relief sought is an injunction or recovery of damages, or both, or enforcement of any lien created by these Covenants.

6. Severability. If any term or provision of this Supplemental Declaration or the application of it to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Supplemental Declaration or the application of such term or provision to persons or circumstances, other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Supplemental Declaration shall be valid and shall be enforced to the extent permitted by law.

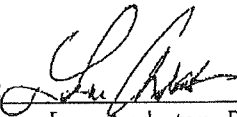
7. Miscellaneous. This Supplemental Declaration is executed by Declarant pursuant to the authority granted under Section 2.2 of the Declaration. Unless otherwise defined herein, all capitalized terms shall have the meaning of those same terms in the Declaration.

EXECUTED to be effective as of the day and year when recorded in the office of the County Clerk of the county in which the Property is located.

DECLARANT:

CASCADE PROPERTIES, LTD.,  
a Texas limited partnership

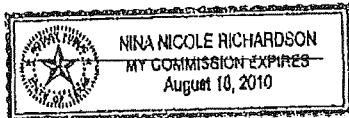
By: Cascade Properties GP Corp.,  
a Texas corporation,  
General Partner

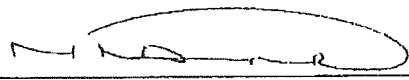
By:   
Lew Anderton, President

THE STATE OF TEXAS   §  
                                     §  
COUNTY OF DALLAS   §

This instrument was acknowledged before me on the 21<sup>ST</sup> day of NOVEMBER, 2006, by Lew Anderton, President of Cascade Properties GP Corp., a Texas corporation, General Partner of Cascade Properties, Ltd., a Texas limited partnership, on behalf of said corporation and limited partnership.

8-18-10  
My Commission Expires:



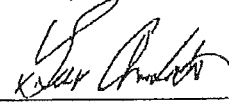
  
Notary Public, State of Texas  
NINA-N. RICHARDSON  
Printed Name of Notary Public



Bellwood has joined herein for the purpose of subjecting any portion of the Annexed Land owned by Bellwood to the terms and provisions of the foregoing Supplemental Declaration.

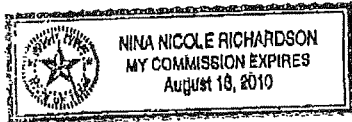
BELLWOOD LAKE PARTNERSHIP, LTD., a Texas limited partnership

By: Bellwood Lake GP Corp, a Texas corporation, its general partner

By:   
Lew Anderton, President

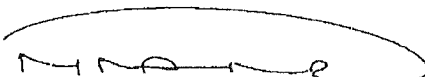
THE STATE OF TEXAS       §  
   §  
COUNTY OF SMITH       §

This instrument was acknowledged before me on the 21 day of November, 2006, by Lew Anderton, President of Bellwood Lake GP Corp, a Texas corporation, General Partner of Bellwood Lake Partnership, Ltd., a Texas limited partnership, on behalf of said corporation and limited partnership.



My Commission Expires:

8-18-10

  
Notary Public, State of Texas

NINA N. RICHARDSON  
Printed Name of Notary Public

return to  
Landmark Title  
manual pickup

## EXHIBIT "A"

### CONDOMINIUM TRACT

#### TRACT ONE

BEING all that tract of land in Smith County, Texas, out of the S. A. & M. G. Railroad Survey, A-963 and being part of that called 21.148 acres described in a deed to Cascade Properties, Ltd. recorded in Volume 7438, Page 423 of the Official Public Records of Smith County, Texas, part of Tyler Cascades, Unit One, Section One, as recorded in Cabinet D, Slide 224-A of the Plat Records of Smith County, Texas, and being part of Cascades Boulevard as shown on said Tyler Cascades, Unit One, Section One, and being further described as follows:

BEGINNING at a 1/2 inch steel rod found at the most Easterly corner of said 21.148 acres;

THENCE North 80 degrees 08 minutes 37 seconds East, 109.65 feet to 1/2 inch steel rod found;

THENCE South 10 degrees 41 minutes 33 seconds East, 291.82 feet to a 1/2 inch steel rod set;

THENCE South 79 degrees 10 minutes 30 seconds West, 93.64 feet to a 1/2 inch steel rod set;

THENCE North 83 degrees 49 minutes 08 seconds West, 127.20 feet to a 1/2 inch steel rod set;

THENCE South 63 degrees 16 minutes 10 seconds West, 48.48 feet to a 1/2 inch steel rod set;

THENCE North 67 degrees 09 minutes 45 seconds West, 58.60 feet to a 1/2 inch steel rod set;

THENCE Northwesterly, 72.26 feet along a curve to the left having a radius of 126.00 feet and a central angle of 32 degrees 51 minutes 25 seconds (Chord bears North 49 degrees 33 minutes 14 seconds West, 71.27 feet) to a 1/2 inch steel rod set for corner;

THENCE North 65 degrees 58 minutes 57 seconds West, 210.06 feet to a 1/2 inch steel rod set;

THENCE Southwesterly, 132.80 feet along a curve to the left having a radius of 126.00 feet and a central angle of 60 degrees 23 minutes 18 seconds (Chord bears South 83 degrees 49 minutes 24 seconds West, 126.74 feet) to a 1/2 inch steel rod set for corner;

THENCE South 53 degrees 37 minutes 45 seconds West, 161.45 feet to a 1/2 inch steel rod set on the existing Northeast line of Briarwood Drive;

THENCE Northwesterly, 27.31 feet along a curve to the right in Briarwood Drive having a radius of 1250.00 feet and a central angle of 01 degrees 15 minutes 07 seconds (Chord bears North 66 degrees 38 minutes 57 seconds West, 27.31 feet) to a 1/2 inch steel rod set;

THENCE North 66 degrees 01 minutes 24 seconds West, 52.61 feet along Briarwood Drive to a 1/2

inch steel rod set at a point of curve;

THENCE Northwesterly, 105.58 feet along a curve to the right in Briarwood Drive having a radius of 270.00 feet and a central angle of 22 degrees 24 minutes 20 seconds (Chord bears North 54 degrees 49 minutes 14 seconds West, 104.91 feet) to a 1/2 inch steel rod set;

THENCE North 43 degrees 37 minutes 03 seconds West, 122.79 feet to a 1/2 inch steel rod set on the existing Northwest line of Cascades Boulevard;

THENCE Southwesterly, 15.52 feet along a curve to the left having a radius 530.00 feet and central angle 01 degrees 40 minutes 39 seconds (Chord bears South 54 degrees 04 minutes 24 seconds West, 15.52 feet) to a 1/2 inch steel rod set;

THENCE North 24 degrees 02 minutes 28 seconds West, 154.64 feet to a 1/2 inch steel rod set;

THENCE North 85 degrees 48 minutes 02 seconds East, 63.07 feet to a 1/2 inch steel rod set;

THENCE North 76 degrees 01 minutes 05 seconds East, 78.36 feet to a 1/2 inch steel rod set;

THENCE North 62 degrees 30 minutes 06 seconds East, 110.77 feet to a 1/2 inch steel rod set;

THENCE North 60 degrees 50 minutes 22 seconds East, 62.67 feet to a 1/2 inch steel rod set;

THENCE North 84 degrees 41 minutes 50 seconds East, 76.22 feet to a 1/2 inch steel rod set;

THENCE North 52 degrees 59 minutes 37 seconds East, 150.95 feet to a 1/2 inch steel rod set;

THENCE North 71 degrees 42 minutes 08 seconds East, 70.26 feet to a 1/2 inch steel rod set;

THENCE South 84 degrees 29 minutes 21 seconds East, 48.23 feet to a 1/2 inch steel rod set;

THENCE South 61 degrees 15 minutes 55 seconds East, 284.21 feet to a 1/2 inch steel rod set;

THENCE South 39 degrees 26 minutes 30 seconds East, 192.94 feet to the Point of Beginning, containing 8.801 acres of land.

SAVE AND EXCEPT THE FOLLOWING TRACT:

BEING all that tract of land in the City of Tyler, Smith County, Texas, out of the S. A. & M. G. Railroad Survey, A-963 and being part of that called 21.148 acres described in a deed to Cascade Properties, Ltd. recorded in Volume 7438, Page 423 of the Official Public Records of Smith County, Texas, part of Tyler Cascades, Unit One, Section One, as recorded in Cabinet D, Slide 224-A of the Plat Records of Smith County, Texas, and being part of Cascades Boulevard as shown on said Tyler Cascades, Unit One, Section One, and being further described as follows:

BEGINNING at a 1/2 inch steel rod found at the most Easterly corner of said 21.148 acres;

THENCE North 80 degrees 08 minutes 37 seconds East, 109.65 feet to a 1/2 inch steel rod found for corner;

THENCE South 10 degrees 41 minutes 33 seconds East, 291.82 feet to a 1/2 inch steel rod set for corner;

THENCE South 79 degrees 10 minutes 30 seconds West, 85.51 feet to a 1/2 inch steel rod set for corner;

THENCE North 08 degrees 24 minutes 27 seconds West, 117.90 feet to a 1/2 inch steel rod set at a point of curve;

Thence Northwesterly, 95.76 feet along a curve to the left with a radius of 100.00 feet and a central angle of 54 degrees 52 minutes 01 seconds (Chord bears North 35 degrees 50 minutes 27 seconds West, 92.14 feet) to a 1/2 inch steel rod set at the point of tangency;

THENCE North 63 degrees 16 minutes 28 seconds West, 121.93 feet to a 1/2 inch steel rod set at a point of curve;

Thence Northwesterly, 215.38 feet along a curve to the right with a radius of 474.00 feet and a central angle of 26 degrees 02 minutes 05 seconds (Chord bears North 50 degrees 15 minutes 25 seconds West, 213.53 feet) to a 1/2 inch steel rod set at a point of reverse curve;

Thence Northwesterly, 268.69 feet along a curve to the left with a radius of 170.00 feet and a central angle of 90 degrees 33 minutes 29 seconds (Chord bears North 82 degrees 31 minutes 07 seconds West, 241.58 feet) to a 1/2 inch steel rod set at the point of tangency;

THENCE South 52 degrees 08 minutes 34 seconds West, 139.67 feet to a 1/2 inch steel rod set at the point of curve;

Thence Southwesterly, 21.58 feet along a curve to the right with a radius of 381.01 feet and a central angle of 03 degrees 14 minutes 41 seconds (Chord bears South 53 degrees 45 minutes 53 seconds West, 21.57 feet) to a 1/2 inch steel rod set for corner;

THENCE North 27 degrees 21 minutes 22 seconds West, 145.36 feet to a 1/2 inch steel rod set for corner;

THENCE North 27 degrees 27 minutes 12 seconds West, 0.00 feet to a 1/2 inch steel rod found for corner;

THENCE South 27 degrees 27 minutes 12 seconds East, 0.00 feet to a 1/2 inch steel rod found for corner;

THENCE North 60 degrees 50 minutes 22 seconds East, 19.66 feet to a 1/2 inch steel rod found for corner;

THENCE North 84 degrees 41 minutes 50 seconds East, 76.22 feet to a 1/2 inch steel rod found for corner;

THENCE North 52 degrees 59 minutes 37 seconds East, 150.95 feet to a 1/2 inch steel rod found for corner;

THENCE North 71 degrees 42 minutes 08 seconds East, 70.26 feet to a 1/2 inch steel rod found for corner;

THENCE South 84 degrees 29 minutes 21 seconds East, 48.23 feet to a 1/2 inch steel rod found for corner;

THENCE South 61 degrees 15 minutes 55 seconds East, 284.21 feet to a 1/2 inch steel rod found for corner;

THENCE South 39 degrees 26 minutes 30 seconds East, 192.94 feet to the Point of Beginning, containing 2.701 acres of land.

#### TRACT TWO

BEING all that tract of land in Smith County, Texas, out of the S. A. & M. G. Railroad Survey, A-963 and being part of that called 21.148 acres described in a deed to Cascade Properties, Ltd. as recorded in Volume 7438, Page 423 of the Official Public Records of Smith County, Texas, part of that called 285.009 acres of land described in a deed to Cascades Properties, Ltd. as recorded in Volume 6636, Page 206 of the Official Public Records of Smith County, Texas, and being further described as follows:

BEGINNING at a 1/2" steel set on the existing Northwest line of Cascades Boulevard from which a 1/2 inch steel rod found at the most Easterly corner of said 21.148 acres bears North 79 degrees 21 minutes 55 seconds East, 1051.56 feet for witness;

THENCE South 43 degrees 05 minutes 11 seconds West, 140.99 feet along Cascades Boulevard to a 1/2 inch steel rod set at a point of curve;

THENCE Southwesterly, 36.94 feet along a curve to the right in Cascades Boulevard having a radius of 260.00 feet and a central angle of 08 degrees 08 minutes 23 seconds (Chord bears South 47 degrees 09 minutes 23 seconds West, 36.91 feet) to a 1/2 inch steel rod set;

THENCE North 34 degrees 31 minutes 18 seconds West, 217.32 feet to a 1/2 inch steel rod set;

THENCE South 56 degrees 49 minutes 38 seconds West, 45.89 feet to a 1/2 inch steel rod set;

THENCE North 33 degrees 10 minutes 22 seconds West, 195.29 feet to a ½ inch steel rod set;

THENCE North 55 degrees 28 minutes 43 seconds East, 210.04 feet to a ½ inch steel rod set;

THENCE South 36 degrees 28 minutes 47 seconds East, 157.25 feet to a ½ inch steel rod set;

THENCE South 34 degrees 32 minutes 35 seconds East, 220.88 feet to the Point of Beginning, containing 1.773 acres of land.

### TRACT THREE

BEING all that tract of land in Smith County, Texas, out of the S. A. & M. G. R. R. Survey, Abstract No. 963, and being all of Lot 3 and part of Lots 2 and 4 of the Briarwood Shadows as recorded in Volume 9, Page 111 of the Plat Records of Smith County, Texas, and being further described as follows:

BEGINNING at a ½ inch steel rod set in the Southwest line of Briarwood Drive and in the Northeast line of said Lot 4, from which the East corner of said Lot 4 bears South 66 degrees 21 minutes 06 seconds East, 4.95 feet for witness;

THENCE South 23 degrees 54 minutes 07 seconds West, 153.24 feet to a ½ inch steel rod set in the Southwest line of said Lot 4;

THENCE North 66 degrees 05 minutes 53 seconds West, 262.77 feet to a ½ inch steel rod set in the Southwest line of said Lot 2;

THENCE North 23 degrees 54 minutes 07 seconds East, 149.59 feet to a ½ inch steel rod set in said line of Briarwood Drive and in the Northeast line of said Lot 2;

THENCE along said line of Briarwood Drive as follows:

Southeasterly, 151.35 feet along a curve to the right having a radius of 4596.98 feet and a central angle of 01 degrees 53 minutes 11 seconds (Chord bears South 67 degrees 17 minutes 42 seconds East, 151.34 feet) to a ½ inch steel rod set at point of tangent;

South 66 degrees 21 minutes 06 seconds East, 111.46 feet to the Point of Beginning, containing 0.918 acres of land.

### TRACT FOUR

BEING all that tract of land in Smith County, Texas, out of the L. H. Ashcroft Survey, Abstract No. 48, and being part of that called 146.1722 acres of land described in a deed to Bellwood Lake Partnership, LTD. as recorded in Volume 6492, Page 290 of the Official Public Records of Smith County, Texas, and being further described as follows:

COMMENCING at a ½ inch steel rod found set in concrete for the most Southerly Southeast corner of said 146.1722 acres; THENCE North 00°38'28" West, 300.24 feet along the most Southerly East line of said 146.1722 acres to a ½ inch steel rod found at the Southeast end of Wexford Drive as shown in Cabinet D, Slide 204-C of the Plat Records of Smith County, Texas; THENCE South 89°21'32" West, 61.00 feet to a ½ inch steel rod found at a point of curve in the South end of a cul-de-sac in Wexford Drive; THENCE Northwesterly, 112.76 feet along a curve to the right having a radius of 50.00 feet and a central angle of 129°12'28" (Chord bears North 26°02'14" West, 90.34 feet to a ½ inch steel rod set for the Point of Beginning of this tract;

THENCE North 53 degrees 23 minutes 18 seconds West, 181.96 feet to a 1/2 inch steel rod set for corner;

THENCE North 02 degrees 37 minutes 34 seconds West, 17.72 feet to a 1/2 inch steel rod set for corner;

THENCE North 31 degrees 44 minutes 41 seconds West, 54.90 feet to a 1/2 inch steel rod set for corner;

THENCE North 07 degrees 35 minutes 02 seconds East, 24.28 feet to a 1/2 inch steel rod set for corner;

THENCE North 09 degrees 06 minutes 01 seconds East, 69.84 feet to a 1/2 inch steel rod set for corner;

THENCE North 00 degrees 39 minutes 27 seconds West, 98.12 feet to a 1/2 inch steel rod set for corner;

THENCE North 34 degrees 46 minutes 22 seconds East, 87.82 feet to a 1/2 inch steel rod set for corner;

THENCE North 01 degrees 33 minutes 48 seconds East, 28.29 feet to a 1/2 inch steel rod set for corner;

THENCE North 07 degrees 29 minutes 33 seconds East, 24.26 feet to a 1/2 inch steel rod set for corner;

THENCE North 28 degrees 25 minutes 14 seconds East, 39.54 feet to a 1/2 inch steel rod set for corner;

THENCE North 89 degrees 02 minutes 10 seconds East, 51.44 feet to a 1/2 inch steel rod set for corner;

THENCE North 76 degrees 41 minutes 15 seconds East, 55.30 feet to a 1/2 inch steel rod set for corner;

THENCE North 27 degrees 47 minutes 18 seconds East, 38.41 feet to a 1/2 inch steel rod set in the West line of Wexford Drive;

THENCE South 00 degrees 38 minutes 28 seconds East (Bearing Basis), 552.08 feet along said line of Wexford Drive to a 1/2 inch steel rod found;

THENCE Southwesterly, 45.32 feet along a curve to the left having a radius of 50.00 feet and a central angle of 51 degrees 56 minutes 16 seconds (Chord bears South 64 degrees 32 minutes 08 seconds West, 43.79 feet) to the Point of Beginning, containing 2.033 acres of land.



## **EXHIBIT "B"**

### **COTTAGE TRACT**

BEING all that tract of land in the City of Tyler, Smith County, Texas, out of the S. A. & M. G. Railroad Survey, A-963 and being part of that called 21.148 acres described in a deed to Cascade Properties, Ltd. recorded in Volume 7438, Page 423 of the Official Public Records of Smith County, Texas, part of Tyler Cascades, Unit One, Section One, as recorded in Cabinet D, Slide 224-A of the Plat Records of Smith County, Texas, and being part of Cascades Boulevard as shown on said Tyler Cascades, Unit One, Section One, and being further described as follows:

BEGINNING at a 1/2 inch steel rod found at the most Easterly corner of said 21.148 acres;

THENCE North 80 degrees 08 minutes 37 seconds East, 109.65 feet to a 1/2 inch steel rod found for corner;

THENCE South 10 degrees 41 minutes 33 seconds East, 291.82 feet to a 1/2 inch steel rod set for corner;

THENCE South 79 degrees 10 minutes 30 seconds West, 85.51 feet to a 1/2 inch steel rod set for corner;

THENCE North 08 degrees 24 minutes 27 seconds West, 117.90 feet to a 1/2 inch steel rod set at a point of curve;

Thence Northwesterly, 95.76 feet along a curve to the left with a radius of 100.00 feet and a central angle of 54 degrees 52 minutes 01 seconds (Chord bears North 35 degrees 50 minutes 27 seconds West, 92.14 feet) to a 1/2 inch steel rod set at the point of tangency;

THENCE North 63 degrees 16 minutes 28 seconds West, 121.93 feet to a 1/2 inch steel rod set at a point of curve;

Thence Northwesterly, 215.38 feet along a curve to the right with a radius of 474.00 feet and a central angle of 26 degrees 02 minutes 05 seconds (Chord bears North 50 degrees 15 minutes 25 seconds West, 213.53 feet) to a 1/2 inch steel rod set at a point of reverse curve;

Thence Northwesterly, 268.69 feet along a curve to the left with a radius of 170.00 feet and a central angle of 90 degrees 33 minutes 29 seconds (Chord bears North 82 degrees 31 minutes 07 seconds West, 241.58 feet) to a 1/2 inch steel rod set at the point of tangency;

THENCE South 52 degrees 08 minutes 34 seconds West, 139.67 feet to a 1/2 inch steel rod set at the point of curve;

Thence Southwesterly, 21.58 feet along a curve to the right with a radius of 381.01 feet and a central angle of 03 degrees 14 minutes 41 seconds (Chord bears South 53 degrees 45 minutes 53 seconds

West, 21.57 feet) to a 1/2 inch steel rod set for corner;

THENCE North 27 degrees 21 minutes 22 seconds West, 145.36 feet to a 1/2 inch steel rod set for corner;

THENCE North 27 degrees 27 minutes 12 seconds West, 0.00 feet to a 1/2 inch steel rod found for corner;

THENCE South 27 degrees 27 minutes 12 seconds East, 0.00 feet to a 1/2 inch steel rod found for corner;

THENCE North 60 degrees 50 minutes 22 seconds East, 19.66 feet to a 1/2 inch steel rod found for corner;

THENCE North 84 degrees 41 minutes 50 seconds East, 76.22 feet to a 1/2 inch steel rod found for corner;

THENCE North 52 degrees 59 minutes 37 seconds East, 150.95 feet to a 1/2 inch steel rod found for corner;

THENCE North 71 degrees 42 minutes 08 seconds East, 70.26 feet to a 1/2 inch steel rod found for corner;

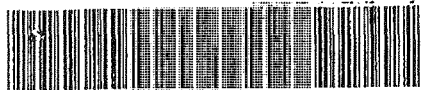
THENCE South 84 degrees 29 minutes 21 seconds East, 48.23 feet to a 1/2 inch steel rod found for corner;

THENCE South 61 degrees 15 minutes 55 seconds East, 284.21 feet to a 1/2 inch steel rod found for corner;

THENCE South 39 degrees 26 minutes 30 seconds East, 192.94 feet to the Point of Beginning, containing 2.701 acres of land.

Judy Carnes  
County Clerk  
Tyler Tx 75702

8700.02  
Association  
Matters



70 2006 00057714

Instrument Number: 2006-R00057714

As

Recorded On: November 28, 2006

Recordings - Land

Parties: CASCADE PROPERTIES LTD

Billable Pages: 20

To BELLWOOD LAKE PARTNERSHIP LTD

Number of Pages: 21

Comment: CONDITIONS & RESTRICTIONS

( Parties listed above are for Clerks reference only )

**\*\* Examined and Charged as Follows: \*\***

Recordings - Land	92.00
Total Recording:	92.00

\*\*\*\*\* DO NOT REMOVE THIS PAGE IS PART OF THE INSTRUMENT \*\*\*\*\*

Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY  
because of color or race is invalid and unenforceable under federal law.

**File Information:**

Document Number: 2006-R00057714

Receipt Number: 411045

Recorded Date/Time: November 28, 2006 04:41:22P

User / Station: R Calderon - Cash Station 1

**Record and Return To:**

LANDMARK TITLE

MANUAL PICK UP

TYLER TX 75702



I hereby certify that this instrument was filed and duly recorded  
in the Official Records of Smith County, Texas

*Judy Carnes*

County Clerk  
Smith County, Texas

*RTT C# 07203364 FWT*

**FIFTH SUPPLEMENTAL DECLARATION<sup>NO</sup>  
OF COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR CASCADES**

**THIS FIFTH SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CASCADES** (this "Supplemental Declaration") is made and entered into by **CASCADE PROPERTIES, LTD.**, a Texas limited partnership ("Declarant") and **MANSIONS CUSTOM HOMES III, L.P.**, a Texas limited partnership ("Mansions").

WHEREAS, Declarant is the declarant under that certain Declaration of Covenants, Conditions and Restrictions for Cascades dated as of February 20, 2004, executed by Declarant, recorded in Volume 7613, Page 4, Official Public Records, Smith County, Texas (the "Declaration"), as amended by Supplemental Declaration of Covenants, Conditions and Restrictions for Cascades Designating the Subdivision of Lakeshore Village executed by Declarant, recorded November 15, 2004 in Volume 7657, Page 99, Official Public Records, Smith County, Texas, Supplemental Declaration of Covenants, Conditions and Restrictions for Cascades Designating the Subdivision of Shoreline View Village executed by Declarant, recorded December 20, 2004 in Volume 7681, Page 576, Official Public Records, Smith County, Texas, Supplemental Notice of Dedicatory Instruments For Cascades Homeowners Association, Inc. dated as of September 16, 2004, executed by Cascades Homeowners Association, Inc., recorded in Volume 7613, Page 134, Official Public Records, Smith County, Texas, Appointment of Design Review Committee dated as of August 6, 2005 executed by Declarant, recorded under Document No. 2006-R0011377 in the Official Public Records, Smith County, Texas, Supplemental Declaration of Covenants, Conditions and Restrictions executed by Declarant, recorded under Document No. 2006-R0011378 in the Official Public Records of Smith County, Texas, First Amendment to Declaration of Covenants, Conditions and Restrictions executed by Declarant, recorded under Document No. 2006-R0011379 in the Official Public Records of Smith County, Texas, First Amendment to Supplemental Declaration of Covenants, Conditions and Restrictions for Cascades Designated the Subdivision of Shoreline View Village executed by Declarant, recorded under Document No. 2006-R0011380 in the Official Public Records of Smith County, Texas, First Amendment to Design Guidelines for Cascades executed by Declarant, recorded under Document No. 2006-R0011381 in the Official Public Records of Smith County, Texas, Second Supplemental Declaration of Covenants, Conditions and Restrictions for Cascades executed by Declarant, recorded under Document No. 2006-R00036304 in the Official Public Records of Smith County, Texas, Third Supplemental Declaration of Covenants, Conditions and Restrictions for Cascades executed by Declarant, recorded under Document No. 2006-R00040926 in the Official Public Records of Smith County, Texas, Fourth Supplemental Declaration of Covenants, Conditions and Restrictions for Cascades executed by Grantor and recorded under Document No. 2006-R00057714 in the Official Public Records of Smith County, Texas, Second Amendment to Declaration of Covenants, Conditions and Restrictions for Cascades Regarding the Subdivision of Lakeshore Village recorded in the Official Public Records of Smith County, Texas, and Third Amendment to Declaration of Covenants, Conditions and Restrictions for Cascades recorded in the Official Public Records of Smith County, Texas, regarding certain real property more particularly described in the Declaration, reference to which is hereby made for all purposes;

WHEREAS, Declarant and Mansions are the owners of that certain real property located in Smith County, Texas, more particularly described on Exhibit "A" attached hereto and made a part hereof for all purposes (the "Annexed Land");

WHEREAS Declarant and Mansions desire to have the Annexed Land included in the "Property" defined in the Declaration which is subject to the terms and provisions of the Declaration and the Association provided for therein and entitled to the rights and benefits of Owners of Lots within the Property pursuant to the rights of Declarant under Section 2.2 of the Declaration;

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Declarant agrees as follows:

1. Addition of Annexed Land. Declarant does hereby annex and subject the Annexed Land to the terms and provision of the Declaration with the same force and effect as if the Annexed Land were originally included in the Declaration as part of the Property and easements are herein created and reserved within the Annexed Land in favor of the Association, Declarant, providers of utility services, Owners, and/or other land entitled to be annexed as set forth in Articles X and XI of the Declaration.

2. Property. For purposes of the Declaration and this Supplemental Declaration, the term Property as defined in the Declaration is hereby amended to mean and include the Annexed Land.

3. Plat. The term "Plat" as used in the Declaration is hereby amended to also include the final plat(s) of the Annexed Land, as recorded in Cabinet E, Slide 3-B, Plat Records, Smith County, Texas.

4. Subject to Declaration.

(a) The Annexed Land is being annexed in accordance with and subject to the provisions of the Declaration as now or hereafter amended, and shall be developed, held, used, sold and conveyed in accordance therewith, except as expressly set forth in subparagraph (b) below. The Annexed Land and the Owners and Residents of the Annexed Land shall be entitled to the same rights, benefits and easements as are granted all other Lots within the Property and the Owners and Residents thereof in the Declaration, including, without limitation, rights and easements of enjoyment in and to the Common Properties (including without limitation, the nature trail system and all walking, jogging and nature/bridal trails and park areas), and will receive all rights, privileges and access to all amenities, Resident social events, newsletters, regular mailings (hard copy mailings and electronic mail delivery as applicable) and other benefits as any other Owner and/or Resident, except as expressly set forth in subparagraph (b) below. All of the provisions of the Declaration shall apply to the Annexed Land with the same force and effect as if the Annexed Land were originally included in the Declaration as part of the Property, except as

expressly set forth in subparagraph (b) below.

(b) Solely with respect to the Annexed Land, the following provisions shall apply:

(i) The Annexed Land is designated as a Residential Parcel for purposes of the Declaration.

(ii) The Lots are hereby designated as Forest Lots, with the exception of the following Lots, which Lots are designated as Golf Course Lots:

Lots 36, 37, 38 and 39, N.C.B. 1802-B; and Lots 1, 2, 3, 4 and 5, N.C.B. 1802-C.

(iii) The obligation to pay Assessments shall commence as to each Lot within the Annexed Land as of the date on which the Lot is first conveyed by Declarant, Mansions or a Builder to an Owner who is not a Builder.

5. Assessment Lien; Remedies. An Assessment Lien is herein created and reserved in each Lot within the Annexed Land in favor of the Association to secure collection of the Assessments (as limited hereunder) as provided in the Declaration. Enforcement of the covenants of the Declaration with respect to the Annexed Land may be initiated by any proceeding at law or in equity against any Person or Persons violating or attempting to violate them, whether the relief sought is an injunction or recovery of damages, or both, or enforcement of any lien created by these Covenants.

6. Severability. If any term or provision of this Supplemental Declaration or the application of it to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Supplemental Declaration or the application of such term or provision to persons or circumstances, other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Supplemental Declaration shall be valid and shall be enforced to the extent permitted by law.

7. Miscellaneous. This Supplemental Declaration is executed by Declarant pursuant to the authority granted under Section 2.2 of the Declaration. Unless otherwise defined herein, all capitalized terms shall have the meaning of those same terms in the Declaration.


[Remainder of Page Intentionally Left Blank  
Signature Page Follows]

EXECUTED to be effective as of the day and year when recorded in the office of the County Clerk of the county in which the Property is located.

**DECLARANT:**

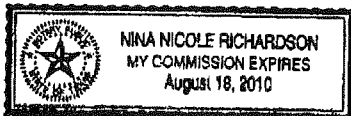
**CASCADE PROPERTIES, LTD.,**  
a Texas limited partnership

By: Cascade Properties GP Corp.,  
a Texas corporation,  
General Partner

By:   
Lew Anderton, President

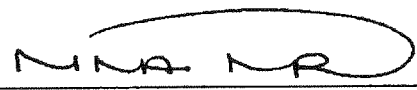
THE STATE OF TEXAS   §  
                                     §  
COUNTY OF DALLAS   §

This instrument was acknowledged before me on the 14<sup>th</sup> day of JUNE, 2007, by Lew Anderton, President of Cascade Properties GP Corp., a Texas corporation, General Partner of Cascade Properties, Ltd., a Texas limited partnership, on behalf of said corporation and limited partnership.



My Commission Expires:

8.18.10

  
Notary Public, State of Texas

NINA N. RICHARDSON  
Printed Name of Notary Public

EXECUTED to be effective as of the day and year when recorded in the office of the County Clerk of the county in which the Property is located.

**MANSIONS:**

**MANSIONS CUSTOM HOMES III, L.P.,**  
a Texas limited partnership

By: Mansions Custom Homes IV, LLC,  
a Texas limited liability company,  
General Partner

By: \_\_\_\_\_

Marcus D. Hiles,  
Sole Member

THE STATE OF TEXAS    §  
                                      §  
COUNTY OF Tarrant   §

This instrument was acknowledged before me on the 15th day of June, 2007, Marcus D. Hiles, Sole Member of Mansions Custom Homes IV, LLC, a Texas limited liability company, General Partner of Mansions Custom Homes III, L.P., a Texas limited partnership, on behalf of said limited liability company and limited partnership.

Delia L. Miranda

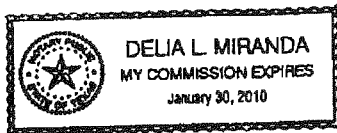
Notary Public, State of Texas

My Commission Expires:

1/30/2010

Delia L. Miranda

Printed Name of Notary Public





**EXHIBIT "A"**

**ANNEXED LAND**

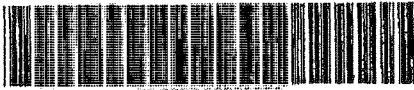
All that certain lot, tract or parcel of land, situated in Smith County, Texas, being Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, N.C.B. 1802-A; Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, N.C.B. 1802-B; Lots 1, 2, 3, 4, 5, N.C.B. 1801-C; Lots 1, 2, 3, 4, 5, 6, N.C.B. 1802-D; and Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, N.C.B. 1802-E; Final Plat Cascades VI, according to the plat recorded in Cabinet E, Slide 3-B, Plat Records, Smith County, Texas.

All that certain lot, tract or parcel of land, situated in Smith County, Texas, being Lot 1A, N.C.B., 1802-A; Lots 1A, N.C.B. 1802-B; Lot 1A, N.C.B. 1802-D; Lot 1A, N.C.B. 1802-E and all private alleys; Final Plat Cascades VI, according to the plat recorded in Cabinet E, Slide 3-B, Plat Records, Smith County, Texas.

Return To:  
Landmark Title

Recorded On-2007-Jun-22 As-30859

Smith County  
Judy Carnes  
County Clerk  
Tyler Tx 75702



72 2007 00030859

Instrument Number: 2007-R00030859

As

Recorded On: June 22, 2007

Recordings - Land

Parties: CASCADE PROPERTIES LTD

Billable Pages: 6

To PUBLIC

Number of Pages: 7

Comment:

( Parties listed above are for Clerks reference only )

**\*\* Examined and Charged as Follows: \*\***

Recordings - Land	36.00
Total Recording:	36.00

\*\*\*\*\* DO NOT REMOVE THIS PAGE IS PART OF THE INSTRUMENT \*\*\*\*\*

Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY  
because of color or race is invalid and unenforceable under federal law.

**File Information:**

Document Number: 2007-R00030859  
Receipt Number: 436018  
Recorded Date/Time: June 22, 2007 02:29:26P

**Record and Return To:**

LANDMARK TITLE  
MANUAL PICK UP  
TYLER TX 75702

User / Station: C Aparicio - Cash Station 1



I hereby certify that this instrument was filed and duly recorded  
in the Official Records of Smith County, Texas

*Judy Carnes*

County Clerk  
Smith County, Texas

7613/134  
2004-R0049099

**SUPPLEMENTAL NOTICE OF DEDICATORY INSTRUMENTS  
FOR  
CASCADES HOMEOWNERS ASSOCIATION, INC.**

THE STATE OF TEXAS     §  
                                      §  
COUNTY OF SMITH       §


CASCADES HOMEOWNERS ASSOCIATION, INC., a Texas non-profit corporation (the "Association"), a property owner's association as defined in Section 202.001 of the Texas Property Code, hereby supplements the Declaration of Covenants, Conditions and Restrictions for Cascades dated February 20, 2004 executed by Cascade Properties, Ltd. and recorded under County Clerk's Document No. R009096, Land Records, Smith County, Texas, with the following additional dedicatory instruments:

Designation Regarding Cascades dated as of September 16, 2004 executed by Cascade Properties, Ltd.

This Supplemental Notice is being recorded in the Land Records of Smith County, Texas for the purpose of complying with Section 202.006 of the Texas Property Code.

EXECUTED effective as of the 16th day of September, 2004.

**CASCADES HOMEOWNERS ASSOCIATION, INC.,**  
a Texas corporation

By:   
\_\_\_\_\_  
Lew Anderton, President

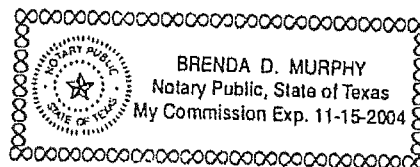
THE STATE OF TEXAS     §  
                                     §  
COUNTY OF DALLAS     §

This instrument was acknowledged before me on the 16<sup>th</sup> day of September, 2004,  
by Lew Anderton, President of Cascades Homeowners Association, Inc., a Texas non-profit  
corporation, on behalf of said corporation.

Brenda D. Murphy  
NOTARY PUBLIC IN AND FOR  
THE STATE OF TEXAS

My Commission Expires:  
11/15/2004

Brenda D. Murphy  
(Printed Name of Notary)



## DESIGNATION REGARDING CASCADES

THE STATE OF TEXAS     §  
                                     §  
COUNTY OF SMITH       §

**CASCADE PROPERTIES, LTD.**, a Texas limited partnership (the "Declarant"), the Declarant pursuant to that certain Declaration of Covenants, Conditions and Restrictions for Cascades dated February 20, 2004 executed by the Declarant and recorded under County Clerk's Document No. 8669696, Land Records, Smith County, Texas, hereby makes the following designations:

- (a) The following Lots are hereby designated Golf Course Lots:

Lots 1-8, New City Block 1801-A, Tyler Cascades, Unit One, Section One, an addition in Smith County, Texas, according to the plat thereof recorded in Cabinet D, Slide 224-A through Slide 225-A of the Plat Records of Smith County, Texas;

Lots 1-3, New City Block 1801-B, Tyler Cascades, Unit One, Section One, an addition in Smith County, Texas, according to the plat thereof recorded in Cabinet D, Slide 224-A through Slide 225-A of the Plat Records of Smith County, Texas;

Lots 1A-13A, New City Block 1801-C, Resubdivision Tyler Cascades, Unit One, an addition in Smith County, Texas according to the plat thereof recorded under County Clerk's Document No. 2004-R0048016, Land Records, Smith County, Texas;

- (b) The following Lots are hereby designated Lake Front Lots:

Lots 4A-18, New City Block 1801-B, Tyler Cascades, Unit One, Section One, an addition in Smith County, Texas, according to the plat thereof recorded in Cabinet D, Slide 224-A through Slide 225-A of the Plat Records of Smith County, Texas; and

- (c) The following Lots are hereby designated Lake View Lots:


Lots 1-12, New City Block 1801-G, Resubdivision Tyler Cascades, Unit One, an addition in Smith

County, Texas according to the plat thereof recorded  
under County Clerk's Document No. 2004-R0048015,  
Land Records, Smith County, Texas.

EXECUTED effective as of the 16th day of September, 2004.

**CASCADE PROPERTIES, LTD.,**  
a Texas limited partnership

By: Cascade Properties GP Corp.,  
a Texas corporation,  
General Partner

By:   
\_\_\_\_\_  
Lew Anderton, President

2004-R0064997

8088088 THE NEW VILLAGE 8088088

Property") described on Exhibit "B" attached hereto and made a part hereof for all purposes.

3. Additional Covenants, Conditions, Restrictions and Easements. The Designated Property shall be developed, held, used, sold and conveyed in accordance with the Declaration and the following:

(i) For purposes of the Declaration and this Supplemental Declaration, the term "Common Property" shall be deemed to include the Village Common Property, and the Village Common Property shall be Limited Common Property, reserved for the exclusive right, easement and privilege of enjoyment of Owners and Residents of Lots within the Designated Property.

(ii) The Owners of Lots within the Designated Property shall be responsible for paying, through Subdivision Assessments, the costs of operating, maintaining, repairing, replacing and insuring the Village Common Property.

(iii) Declarant hereby reserves for itself, its successors and assigns, an exclusive, perpetual easement upon, over and across the Private Drive Easement Area for (a) the installation, construction, operation, maintenance, replacement, repair, upgrade and removal of the Driveway Improvements and such other improvements as the Design Review Committee shall be permit to be constructed therein pursuant to the Declaration, (b) the installation, construction, operation, maintenance, replacement, repair, upgrade and removal of utilities, including, but not limited to, water, sewer (including storm and sanitary sewer), drainage, electrical, telephone, cable, and natural gas and related facilities, and (c) the passage and accommodation and ingress and egress of pedestrians and vehicles. The Private Drive Easement Area designated in this Declaration is not based upon the actual location of the Driveway Improvements, but on the proposed location of such improvements prior to construction. Declarant reserves the right to relocate and modify the configuration of the Private Drive Easement Area upon, over and across the actual location of the Driveway Improvements, to the extent the Driveway Improvements are not built as proposed within the Private Drive Easement Area, by the execution and recordation of an amendment to this Declaration evidencing such actual location, and the consent of no other party shall be required to such amendment.

(iv) The easements created in section (iii) above are exclusive. No Owner shall have the right to grant other rights and easements across, over or under the portion of the Private Drive Easement Area located on the Lot owned by such Owner. Except for access, ingress and egress over and across the Private Drive Easement Area as provided in Article III of the Declaration and in this Supplemental Declaration, no Owner may use the Private Drive Easement Area for any other purpose.

(v) No Owner or Resident may erect, place or alter a Structure within the



Private Drive Easement Area or make any improvement to the Private Drive Easement Area without the prior approval of the Design Review Committee in accordance with the Declaration. Each Owner and Resident agrees to repair any damage caused to the Private Drive Easement Area and/or Driveway Improvements by such Owner, Resident and/or its invitees. Nothing shall be done or permitted within the Private Drive Easement Area and/or in connection with the use of the Driveway Improvements which would constitute a threat or hazard to the health and safety of any Owner or Resident, or which damages the Driveway Improvements or any other improvements. Any damage to a Lot or the Adjacent Property caused by any Owner or Resident in the exercise of the easement rights granted in this Supplemental Declaration shall be restored at the Owner's or Resident's expense to at least the same condition as existed prior to such damage.

(vi) The following shall be applicable to the Driveway Improvements:

(A) The Driveway Improvements located within the Private Drive Easement Area shall at all times be subject to the lawful exercise by the City and/or County of its police powers.

(B) Non-exclusive easements are hereby reserved for the benefit of, and granted to, the City, County, all providers of utility services within the Designated Property, and all other governmental providers of the Designated Property (including, without limitation, the U.S. Postal Service), to enter onto and use the Private Drive Easement Area for the provision of all governmental and utility services necessary and/or required for the benefit of the Owners in the proper exercise of governmental functions and the providing of utility services, including, without limitation, the right of the City and/or County to remove any vehicle or obstacle from the Driveway Improvements that impairs emergency access.

(C) The City, County or any other governmental or quasi governmental authority or special district and all public utility entities providing utility service to the Designated Property shall have the right to use the Driveway Improvements to construct, install, maintain, operate, inspect, remove and reconstruct the facilities, equipment and systems that serve the Designated Property; however, each such Person shall repair any damage to the pavement or other improvements within the Private Drive Easement Area resulting from any such installation, maintenance, reconstruction or such other work.

(D) If the Association maintains mechanism(s) to control access to the Driveway Improvements, the Association shall maintain such mechanism(s) in good operating condition so as to allow twenty-

four (24) hour access to the Driveway Improvements by the City, County and the providers of utility services to the Designated Property.

(vii) Except as provided in (ix) below, each Owner of a Lot within the Designated Property shall be responsible for (e) constructing a driveway (a "Lot Driveway") within the Private Drive Easement Area connecting the Driveway Improvements to that portion of such Owner's Lot situated outside of the Private Drive Easement Area; provided, however, no Owner or Resident may erect, place or alter a Structure within the Private Drive Easement Area or make any Improvement to the Private Drive Easement Area without the prior approval of the Design Review Committee in accordance with the procedure and subject to the requirements for approval of Improvements to such Owner's Lot and (b) keeping and maintaining the Lot Driveway in good condition and repair.

4. **Severability.** If any term or provision of this Supplemental Declaration or the application of it to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Supplemental Declaration or the application of such term or provision to persons or circumstances, other than those as to which it is invalid or unenforceable, shall not be affected thereby, and such term and provision of this Supplemental Declaration shall be valid and shall be enforced to the extent permitted by law.

VOL 7581 PAGE 588

EXECUTED to be effective as of the day and year when recorded in the office of the County Clerk of the county in which the Property is located.

DECLARANT:

CASCADE PROPERTIES, LTD.,  
a Texas limited partnership

By: Cascade Properties GP Corp.,  
a Texas corporation,  
General Partner

By: [Signature]  
Lew Anderson, President

THE STATE OF TEXAS    §  
COUNTY OF DALLAS    §

This instrument was acknowledged before me on the 17TH day of DECEMBER, 2004, by Lew Anderson, President of Cascade Properties GP Corp., a Texas corporation, General Partner of Cascade Properties, Ltd., a Texas limited partnership, on behalf of said corporation and limited partnership.

[Signature]  
Notary Public, State of Texas

My Commission Expires: \_\_\_\_\_

Printed Name of Notary Public



SUPPLEMENTAL DECLARATION OF COVENANTS  
CONDITIONS AND RESTRICTIONS FOR CASCADES DESIGNATING THE SUBDIVISION  
OF SHORELINE VIEW VILLAGE - Page 5  
C:\PAREDC\CLERK\SYSTEM\7581\SHORELINE VIEW VILLAGE\condcler.doc.mpl\condcler.doc

PL 7681 REC 581

EXHIBIT "A"

DESIGNATED PROPERTY

Lots 2-6, inclusive, New City Block 1801-G, Tyler Cascades, Unit 1, Section 1, according to Amended Plat thereof filed for record in Cabinet D, Slide 257 B, C, D and Slide 258-A, B of the Plat Records of Smith County, Texas.

Lot 1-A, New City Block 1801-G, Resubdivision of Lot 1, New City Block 1801-G, Tyler Cascades, Unit One, according to the resubdivision plat thereof filed for record in the Office of the County Clerk of Smith County, Texas on \_\_\_\_\_ under Clerk's File No. \_\_\_\_\_

Vol 7681 Page 582

EXHIBIT "B"

PRIVATE DRIVE BASEMENT AREA

SUPPLEMENTAL DECLARATION OF COVENANTS  
CONDITIONS AND RESTRICTIONS FOR CASCADES DESIGNATING THE SUBDIVISION  
OF SHORELINE VIEW VILLAGE - Page 7  
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**Vannoy & Assoc., Inc.**

Surveyors - Planners

**Ray L. Vannoy**  
Registered Professional Land Surveyor  
Licensed State Land Surveyor

**Matthew Busby**  
Registered Professional Land Surveyor

**ACCESS EASEMENT**  
Part of Cascade Properties

STATE OF TEXAS  
COUNTY OF SMITH

BEING all that tract of land in Smith County, Texas, a part of that called 285,009 acres of land described in a deed to Cascade Properties, LTD. as recorded in Volume 8586, Page 206 of the Official Public Records of Smith County, Texas, and a part of Lots 2 and 3, NCB 1801-G of Tyler Cascades, Unit One, Section One as recorded in Cabinet D, Slide 224-A of the Plat Records of Smith County, Texas, and a part of Lot 1-A, NCB 1801-G of Tyler Cascades, Unit One, Section One as recorded under Clerk's File 2004-R-0084450 of the Plat Records of Smith County, Texas, and being an access easement having a width of twenty five feet and being further described as follows:

BEGINNING at a point on the Northwest line of said Lot 1-A, bearing North 42 degrees 17 minutes 30 seconds East, 2.57 feet from a 1/2 inch steel rod found at the West corner of Lot 1-A;

THENCE North 45 degrees 14 minutes 49 seconds West, 35.74 feet to a 1/2 inch steel rod set for corner;

THENCE North 53 degrees 29 minutes 20 seconds West, 34.17 feet to a 1/2 inch steel rod set on the Southwest line of said Lot 2;

THENCE North 50 degrees 28 minutes 08 seconds West, 27.61 feet to a 1/2 inch steel rod set at a point of curve;

THENCE Northwestly, 44.47 feet along a curve to the left having a radius of 87.50 feet and a central angle of 29 degrees 07 minutes 08 seconds (Chord bears North 64 degrees 58 minutes 42 seconds West, 43.93 feet) to a 1/2 inch steel rod set at point of reverse curve;

THENCE Northwestly, 49.64 feet along a curve to the right having a radius of 112.50 feet and a central angle of 24 degrees 45 minutes 15 seconds (Chord bears North 67 degrees 10 minutes 08 seconds West, 48.28 feet) to a 1/2 inch steel rod set at point of tangency;

THENCE North 64 degrees 47 minutes 00 seconds West, 83.60 feet to a 1/2 inch steel rod set at point of curve;

THENCE Northwestly, 39.26 feet along a curve to the left having a radius of 87.50 feet and a central angle of 25 degrees 42 minutes 21 seconds (Chord bears North 87 degrees 33 minutes 11 seconds West, 38.93 feet) to a 1/2 inch steel rod set at point of tangency;

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**Vannoy & Assoc., Inc.**

Surveyors - Planners

**Ray L. Vannoy**  
Registered Professional Land Surveyor  
Licensed State Land Surveyor

**Matthew Busby**  
Registered Professional Land Surveyor

THENCE North 80 degrees 29 minutes 21 seconds West, 28.98 feet to a 1/2 inch steel rod set for a point of curve;

THENCE Northwesterly, 38.92 feet along a curve to the right having a radius of 182.50 feet and a central angle of 13 degrees 43 minutes 25 seconds (Chord bears North 73 degrees 37 minutes 39 seconds West, 38.83 feet) to a 1/2 inch steel rod set at point of tangency;

THENCE North 66 degrees 45 minutes 57 seconds West, 10.32 feet to a 1/2 inch steel rod set for a point of curve;

THENCE Northwesterly, 17.07 feet along a curve to the left having a radius of 87.60 feet and a central angle of 11 degrees 10 minutes 48 seconds (Chord bears North 72 degrees 21 minutes 20 seconds West, 17.05 feet) to a 1/2 inch steel rod set at point of tangency;

THENCE North 77 degrees 58 minutes 44 seconds West, 112.68 feet to a 1/2 inch steel rod set for a point of curve;

THENCE Northwesterly, 14.05 feet along a curve to the left having a radius of 37.50 feet and a central angle of 21 degrees 27 minutes 51 seconds (Chord bears North 88 degrees 40 minutes 40 seconds West, 13.97 feet) to a 1/2 inch steel rod set at point of tangency;

THENCE South 80 degrees 35 minutes 25 seconds West, 24.87 feet to a 1/2 inch steel rod set for a point of curve;

THENCE Southwesterly, 58.52 feet along a curve to the left having a radius of 52.50 feet and a central angle of 61 degrees 47 minutes 14 seconds (Chord bears South 49 degrees 41 minutes 40 seconds West, 53.91 feet) to a 1/2 inch steel rod set at point of tangency;

THENCE South 18 degrees 40 minutes 11 seconds West, 22.28 feet to a 1/2 inch steel rod set at a point of curve;

THENCE Southwesterly, 39.40 feet along a curve to the right having a radius of 77.50 feet and a central angle of 29 degrees 11 minutes 02 seconds (Chord bears South 33 degrees 23 minutes 42 seconds West, 39.05 feet) to a 1/2 inch steel rod set at point of tangency;

THENCE South 47 degrees 59 minutes 13 seconds West, 7.03 feet to a 1/2 inch steel rod set at a point of curve;

THENCE Southwesterly, 43.02 feet along a curve to the left having a radius of 52.50 feet and a central angle of 46 degrees 57 minutes 18 seconds (Chord bears South 24 degrees 30 minutes 35 seconds West, 41.83 feet) to a 1/2 inch steel rod set at a point of reverse curve;

**Vannoy & Assoc., Inc.**  
Surveyors - Planners

**Roy L. Vannoy**  
Registered Professional Land Surveyor  
Licensed State Land Surveyor

**Matthew Busby**  
Registered Professional Land Surveyor

THENCE Southwesterly, 32.12 feet along a curve to the right having a radius of 77.50 feet and a central angle of 23 degrees 44 minutes 59 seconds (Chord bears South 12 degrees 54 minutes 27 seconds West, 31.80 feet) to a 1/2 inch steel rod set at the point of tangency;

THENCE South 24 degrees 48 minutes 56 seconds West, 38.85 feet to a 1/2 inch steel rod set for corner;

THENCE South 22 degrees 04 minutes 25 seconds East, 13.88 feet to a 1/2 inch steel rod set on the Northeast line of a proposed road;

THENCE North 88 degrees 55 minutes 46 seconds West, 45.05 feet along said proposed road to a 1/2 inch steel rod set for corner;

THENCE North 87 degrees 55 minutes 35 seconds East, 14.59 feet to a 1/2 inch steel rod set for corner;

THENCE North 24 degrees 48 minutes 56 seconds East, 40.47 feet to a 1/2 inch steel rod set at a point of curve;

THENCE Northeasterly, 21.78 feet along a curve to the left having a radius of 52.50 feet and a central angle of 23 degrees 44 minutes 59 seconds (Chord bears North 12 degrees 54 minutes 27 seconds East, 21.81 feet) to a 1/2 inch steel rod set at a point of reverse curve;

THENCE Northeasterly, 88.51 feet along a curve to the right having a radius of 77.50 feet and a central angle of 40 degrees 57 minutes 16 seconds (Chord bears North 24 degrees 30 minutes 35 seconds East, 51.75 feet) to a 1/2 inch steel rod set at the point of tangency;

THENCE North 47 degrees 59 minutes 13 seconds East, 7.03 feet to a 1/2 inch steel rod set at a point of curve;

THENCE Northeasterly, 28.74 feet along a curve to the left having a radius of 62.50 feet and a central angle of 29 degrees 11 minutes 02 seconds (Chord bears North 33 degrees 23 minutes 42 seconds East, 25.45 feet) to a 1/2 inch steel rod set at the point of tangency;

THENCE North 18 degrees 40 minutes 11 seconds East, 22.28 feet to a 1/2 inch steel rod set at a point of curve;

THENCE Northeasterly, 83.58 feet along a curve to the right having a radius of 77.50 feet and a central angle of 61 degrees 47 minutes 14 seconds (Chord bears North 49 degrees 41 minutes 48 seconds East, 78.58 feet) to a 1/2 inch steel rod set at the point of tangency;

THENCE North 80 degrees 35 minutes 25 seconds East, 24.57 feet to a 1/2 inch steel rod set at a point of curve;



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**Vannoy & Assoc., Inc.**

Surveyors - Planners

Ray L. Vannoy  
Registered Professional Land Surveyor  
Licensed State Land Surveyor

Matthew Bosby  
Registered Professional Land Surveyor

THENCE Southeastery, 23.41 feet along a curve to the right having a radius of 62.50 feet and a central angle of 21 degrees 27 minutes 51 seconds (Chord bears South 88 degrees 40 minutes 40 seconds East, 23.28 feet) to a 1/2 inch steel rod set at the point of tangency;

THENCE South 77 degrees 55 minutes 44 seconds East, 112.69 feet to a 1/2 inch steel rod set at a point of curve;

THENCE Southeastery, 21.85 feet along a curve to the right having a radius of 112.50 feet and a central angle of 11 degrees 10 minutes 48 seconds (Chord bears South 72 degrees 21 minutes 20 seconds East, 21.82 feet) to a 1/2 inch steel rod set at the point of tangency;

THENCE South 88 degrees 45 minutes 57 seconds East, 10.32 feet to a 1/2 inch steel rod set at a point of curve;

THENCE Southeastery, 32.83 feet along a curve to the left having a radius of 137.50 feet and a central angle of 18 degrees 43 minutes 25 seconds (Chord bears South 73 degrees 37 minutes 39 seconds East, 32.88 feet) to a 1/2 inch steel rod set at the point of tangency;

THENCE South 80 degrees 29 minutes 21 seconds East, 25.98 feet to a 1/2 inch steel rod set at a point of curve;

THENCE Southeastery, 50.47 feet along a curve to the right having a radius of 112.50 feet and a central angle of 25 degrees 42 minutes 21 seconds (Chord bears South 67 degrees 38 minutes 11 seconds East, 50.05 feet) to a 1/2 inch steel rod set at the point of tangency;

THENCE South 54 degrees 47 minutes 00 seconds East, 83.65 feet to a 1/2 inch steel rod set at a point of curve;

THENCE Southeastery, 37.83 feet along a curve to the left having a radius of 67.50 feet and a central angle of 24 degrees 48 minutes 18 seconds (Chord bears South 67 degrees 10 minutes 08 seconds East, 37.64 feet) to a 1/2 inch steel rod set at a point of reverse curve, said point bearing South 88 degrees 07 minutes 11 seconds East, 9.32 feet from a 1/2 inch steel rod found at the West corner of said Lot 2;

THENCE Southeastery, 57.17 feet along a curve to the right having a radius of 112.50 feet and a central angle of 29 degrees 07 minutes 08 seconds (Chord bears South 64 degrees 59 minutes 42 seconds East, 55.58 feet) to a 1/2 inch steel rod set at the point of tangency;

THENCE South 60 degrees 28 minutes 08 seconds East, 26.84 feet to a 1/2 inch steel rod set for corner;

THENCE South 53 degrees 29 minutes 20 seconds East, 35.30 feet to a 1/2 inch steel rod set for corner;

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**Vannoy & Assoc., Inc.**

Surveyors - Planners

Ray L. Vannoy  
Registered Professional Land Surveyor  
Licensed State Land Surveyor

Matthew Busby  
Registered Professional Land Surveyor

THENCE South 45 degrees 14 minutes 49 seconds East, 38.47 feet to a 1/2 inch steel rod set on the Northwest line of said Lot 1-A;

THENCE South 42 degrees 17 minutes 30 seconds West, 25.02 feet to the Point of Beginning.

The description shown herein was prepared from an on-the-ground survey performed by me during the month of December, 2004.

December 17, 2004

Plot attached 0412-002

Ray L. Vannoy  
R.P.L.S. No. 1988

STATE OF TEXAS    COUNTY OF SMITH  
I hereby certify that this instrument was  
filed on the date and time stamped hereon  
by me and was duly recorded in the Official  
Public records of Smith County, Texas.



DEC 20 2004

*Judy Carnes*  
JUDY CARNES  
COUNTY CLERK, Smith County, Texas

Filed for Record in  
SMITH COUNTY, TEXAS  
JUDY CARNES, COUNTY CLERK  
On Dec 20 2004  
At 3:02pm

Receipt # 31 332-25  
RECEIVED  
DEC 20 2004  
Deputy - Joyce Baker

105 Jordan Plaza, Suite 107, Tyler, TX 75704 • (936) 592-7920 Fax (936) 592-0088  
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FAX NO.

P. 02/17

VOL 7657 REC 099

2004-R0059263

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**SUPPLEMENTAL DECLARATION OF COVENANTS, ||  
CONDITIONS AND RESTRICTIONS FOR CASCADES  
DESIGNATING THE SUBDIVISION  
OF LAKESHORE VILLAGE**

**THIS SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CASCADES DESIGNATED THE SUBDIVISION OF LAKESHORE VILLAGE** (this "Supplemental Declaration") is made and entered into by **CASCADE PROPERTIES, LTD.**, a Texas limited partnership ("Declarant"), whose address is 2611 Cascades Golf Club Drive, Tyler, Texas 75709.

WHEREAS, Declarant is the declarant under that certain Declaration of Covenants, Conditions and Restrictions for Cascades dated as of February 20, 2004, executed by Declarant, recorded in Volume 7613, Page 4, Official Public Records, Smith County, Texas (the "Declaration"), regarding certain real property more particularly described in the Declaration, reference to which is hereby made for all purposes; and

WHEREAS, pursuant to the Declaration, Declarant desires to designate that certain real property located in Cascades, more particularly described on Exhibit "A" attached hereto and made a part hereof for all purposes (the "Designated Property"), as a Subdivision to be known as "Lakeshore Village"; and

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Declarant hereby declares as follows:

1. Designation of Subdivision. Declarant does hereby designate the Designated Property as a Subdivision under and pursuant to the terms and provisions of the Declaration.

2. Defined Terms. The following words, when used in this Supplemental Declaration shall have the following respective meanings. Unless defined herein, capitalized terms shall have the meaning of those same terms in the Declaration.

(i) "Driveway Improvements" shall mean the paving, curbing, gates and related mechanism(s) to control access, fencing, gatehouse (if any), retaining walls, street lighting, mailboxes, signage, landscaping, irrigation and related Improvements constructed by Declarant or the Association in the Private Drive Easement Area.

(ii) "Lakeshore Village Common Property" shall mean the easement established herein on, over and across the Private Drive Easement Area and the Driveway Improvements.

**SUPPLEMENTAL DECLARATION OF COVENANTS  
CONDITIONS AND RESTRICTIONS FOR CASCADES DESIGNATING THE SUBDIVISION  
OF LAKESHORE VILLAGE - Page 1**  
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Filed for Record in:  
SMITH COUNTY, TEXAS  
JUDY CARNES, COUNTY CLERK  
On Nov 16 2004  
At 12:16pm  
Receipt #: 329565  
Recording: 34.00  
Doc/Num : 2004-R005926  
Doc/Type : REC  
Deputy -Rebeca Caldera

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(iii) "Private Drive Easement Area" shall mean the portion of the Designated Property described on Exhibit "B" attached hereto and made a part hereof for all purposes.

3. Additional Covenants, Conditions, Restrictions and Easements. The Designated Property shall be developed, held, used, sold and conveyed in accordance with the Declaration and the following:

(i) For purposes of the Declaration and this Supplemental Declaration, the term "Common Property" shall be deemed to include the Lakeshore Village Common Property, and the Lakeshore Village Common Property shall be Limited Common Property, reserved for the exclusive right, easement and privilege of enjoyment of Owners and Residents of Lots within the Designated Property.

(ii) The Owners of Lots within the Designated Property shall be responsible for paying, through Subdivision Assessments, the costs of operating, maintaining, repairing, replacing and insuring the Lakeshore Village Common Property.

(iii) Declarant hereby reserves for itself, its successors and assigns, an exclusive, perpetual easement upon, over and across the Private Drive Easement Area for (a) the installation, construction, operation, maintenance, replacement, repair, upgrade and removal of the Driveway Improvements and such other Improvements as the Design Review Committee shall be permit to be constructed therein pursuant to the Declaration, (b) the installation, construction, operation, maintenance, replacement, repair, upgrade and removal of utilities, including, but not limited to, water, sewer (including storm and sanitary sewer), drainage, electrical, telephone, cable, and natural gas and related facilities, and (c) the passage and accommodation and ingress and egress of pedestrians and vehicles. The Private Drive Easement Area designated in this Declaration is not based upon the actual location of the Driveway Improvements, but on the proposed location of such improvements prior to construction. Declarant reserves the right to relocate and modify the configuration of the Private Drive Easement Area upon, over and across the actual location of the Driveway Improvements, to the extent the Driveway Improvements are not built as proposed within the Private Drive Easement Area, by the execution and recordation of an amendment to this Declaration evidencing such actual location, and the consent of no other party shall be required to such amendment.

(iv) The easement created in section (iii) above is exclusive. No Owner shall have the right to grant other rights and easements across, over or under the portion of the Private Drive Easement Area located on the Lot owned by such Owner. Except as provided in Article III of the Declaration and in this Supplemental Declaration, no Owner may use the portion of the Private Drive Easement Area located on the Lot owned by such Owner for any purposes.

**SUPPLEMENTAL DECLARATION OF COVENANTS  
CONDITIONS AND RESTRICTIONS FOR CASCADES DESIGNATING THE SUBDIVISION  
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(v) No Owner or Resident may erect, place or alter a Structure within the Private Drive Easement Area or make any Improvement to the Private Drive Easement Area without the prior approval of the Design Review Committee in accordance with the Declaration. Each Owner and Resident agrees to repair any damage caused to the Private Drive Easement Area and/or Driveway Improvements by such Owner, Resident and/or its invitees. Nothing shall be done or permitted within the Private Drive Easement Area and/or in connection with the use of the Driveway Improvements which would constitute a threat or hazard to the health and safety of any Owner or Resident, or which damages the Driveway Improvements or any other Improvements. Any damage to a Lot caused by any Owner or Resident in the exercise of the easement rights granted in this Supplemental Declaration shall be restored at the Owner's or Resident's expense to at least the same condition as existed prior to such damage.

(vi) The following shall be applicable to the Driveway Improvements:

(A) The Driveway Improvements located within the Designated Property shall at all times be subject to the lawful exercise by the City and/or County of its police powers.

(B) Non-exclusive easements are hereby reserved for the benefit of, and granted to, the City, County, all providers of utility services within the Designated Property, and all other governmental providers of the Designated Property (including, without limitation, the U.S. Postal Service), to enter onto and use the Private Drive Easement Area for the provision of all governmental and utility services necessary and/or required for the benefit of the Owners in the proper exercise of governmental functions and the providing of utility services, including, without limitation, the right of the City and/or County to remove any vehicle or obstacle from the Driveway Improvements that impairs emergency access.

(C) The City, County or any other governmental or quasi governmental authority or special district and all public utility entities providing utility service to the Designated Property shall have the right to use the Driveway Improvements to construct, install, maintain, operate, inspect, remove and reconstruct the facilities, equipment and systems that serve the Designated Property; however, each such Person shall repair any damage to the pavement or other improvements within the Private Drive Easement Area resulting from any such installation, maintenance, reconstruction or such other work.

(D) If the Association maintains mechanism(s) to control access to the Driveway Improvements, the Association shall maintain

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such mechanism(s) in good operating condition so as to allow twenty-four (24) hour access to the Driveway Improvements by the City, County and the providers of utility services to the Designated Property.

(E) References to streets in the provisions of the Declaration and Design Guidelines shall be deemed to include references to the 20 foot wide street constructed as a part of the Driveway Improvements.

(vii) Declarant hereby reserves for itself, its successors and assigns, a non-exclusive perpetual easement and right-of-way for the installation, construction, operation, maintenance, replacement, repair, upgrade and removal of utilities, including, but not limited to, water, sewer (including storm and sanitary sewer), drainage, electrical, telephone, cable, and natural gas and related facilities in, under, over and across that portion of the Designated Property which is designated as a "10' Drainage & Util. Esmt." on Exhibit "B" (the "Utility Easement Area"). Declarant further reserves for itself, its successors and assigns, the right to use as much of the surface of the property that is adjacent to the Utility Easement Area ("Adjacent Property") as may be reasonably necessary to install and maintain such permitted utilities within the Utility Easement Area.

(viii) Except as provided in (ix) below, each Owner of a Lot within the ~~Driveway~~ <sup>Driveway</sup> shall be ~~responsible for (a) constructing a driveway (a "Lot~~ <sup>responsible for (a) constructing a driveway (a "Lot</sup> street constructed as a part of the Driveway Improvements to such ~~Lot~~ <sup>Lot</sup> Owner's Lot situated outside of the Private Drive Easement Area; provided, however, no Owner or Resident may erect, place or alter a Structure within the Private Drive Easement Area or make any Improvement to the Private Drive Easement Area without the prior approval of the Design Review Committee in accordance with the procedure and subject to the requirements for approval of Improvements to such Owner's Lot and (b) keeping and maintaining the Lot Driveway in good condition and repair.

(ix) The Owner of either Lot 1 or Lot 2 within the Designated Property first commencing the construction of Improvements on its Lot (the "First Owner") shall be obligated to construct or cause to be constructed, in a good and workmanlike manner, the Lot Driveway for Lots 1 and 2. The Lot Driveway shall be constructed and installed in accordance with all governmental requirements and plans for the Lot Driveway approved by the Design Review Committee in accordance with the Declaration contemporaneously with the construction of Improvements on the First Owner's Lot. Upon completion thereof, First Owner shall provide the other Owner (the "Second Owner") with a certificate from the engineer or architect who has supervised the construction of the Lot Driveway certifying the completion thereof

**SUPPLEMENTAL DECLARATION OF COVENANTS  
CONDITIONS AND RESTRICTIONS FOR CASCADES DESIGNATING THE SUBDIVISION  
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CASCADES DECLARATION SUPPLEMENTAL TO THE DECLARATION OF COVENANTS AND RESTRICTIONS FOR CASCADES DESIGNATING THE SUBDIVISION OF LAKESHORE VILLAGE

**SUPPLEMENTAL DECLARATION OF COVENANTS  
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EXECUTED to be effective as of the day and year when recorded in the office of the County Clerk of the county in which the Property is located.

DECLARANT:

CASCADE PROPERTIES, LTD.,  
a Texas limited partnership

By: Cascade Properties GP Corp.,  
a Texas corporation,  
General Partner

By: [Signature]  
Lew Anderton, President

THE STATE OF TEXAS §  
COUNTY OF DALLAS §

This instrument was acknowledged before me on the 12<sup>th</sup> day of November, 2004, by Lew Anderton, President of Cascade Properties GP Corp., a Texas corporation, General Partner of Cascade Properties, Ltd., a Texas limited partnership, on behalf of said corporation and limited partnership.



My Commission Expires:

[Signature]  
Notary Public, State of Texas

Printed Name of Notary Public

Return to: Landmark Title

SUPPLEMENTAL DECLARATION OF COVENANTS  
CONDITIONS AND RESTRICTIONS FOR CASCADES DESIGNATING THE SUBDIVISION  
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**EXHIBIT "A"**

**DESIGNATED PROPERTY**

Lots 1-5, inclusive, New City Block 1801-B, Amended Plat of Tyler Cascades, Unit One, Section One, an addition in Smith County, Texas, according to the plat thereof recorded in Cabinet D, Slides 257-B, C, D and Slide 258-A, B, Land Records, Smith County, Texas.

**SUPPLEMENTAL DECLARATION OF COVENANTS  
CONDITIONS AND RESTRICTIONS FOR CASCADES DESIGNATING THE SUBDIVISION  
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P. 09/17

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**EXHIBIT "B"**  
**PRIVATE DRIVE EASEMENT AREA**

**SUPPLEMENTAL DECLARATION OF COVENANTS  
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OF LAKESHORE VILLAGE - Page 8**  
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**Vannoy & Assoc., Inc.**  
Surveyors - Planners

**Ray L. Vannoy**  
Registered Professional Land Surveyor  
Licensed State Land Surveyor

**Matthew Jay Busby**  
Registered Professional Land Surveyor

**COMMON AREA EASEMENT**  
**LOTS 1-5, NCB-1801-B, TYLER CASCADES**

**STATE OF TEXAS**  
**COUNTY OF SMITH**

BEING all that tract of land in Smith County, Texas, out of the S. A. & M. G. RR. Survey, A-963, and out of the McKinney & Williams Survey, A-727, and being part of N.C.B. 1801-B of Tyler Cascades, Unit One to the City of Tyler, Smith County, Texas as shown in Cabinet D, Slide 257-B of the Plat Records of Smith County, Texas, and being a common area easement more fully described as follows:

BEGINNING at a ½ inch steel rod found on the Northeast line of Cascades Shoreline Drive, being the most Westerly corner of Lot 1, NCB 1801-B of Tyler Cascades as shown in Cabinet D, Slide 257-B;

THENCE Northwesterly, 35.98 feet along a curve to the right in Cascades Shoreline Drive having a radius of 220.00 feet and a central angle of 09 degrees 22 minutes 15 seconds (Chord bears North 29 degrees 13 minutes 34 seconds West, 35.94 feet) to a ½ inch steel rod found at the point of tangency;

THENCE North 24 degrees 32 minutes 26 seconds West, 54.01 feet along Cascades Shoreline Drive to a ½ inch steel rod found at a point of curve;

THENCE Northwesterly, 26.96 feet along a curve to the left in Cascades Shoreline Drive having a radius of 280.00 feet and a central angle of 05 degrees 30 minutes 57 seconds (Chord bears North 27 degrees 17 minutes 54 seconds West, 26.95 feet) to a ½ inch steel rod found at the South corner of Lot 5, NCB 1801-B;

THENCE North 37 degrees 23 minutes 01 seconds East, 37.95 feet to a ½ inch steel rod set at a point of non-tangent curve;

THENCE Northeasterly, 68.28 feet along a curve to the right having a radius of 165.00 feet and a central angle of 23 degrees 42 minutes 32 seconds (Chord bears North 13 degrees 40 minutes 06 seconds East, 67.79 feet) to a ½ inch steel rod set at the point of tangency;

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~~VOL 7657-1881-08~~

**Vannoy & Assoc., Inc.**  
Surveyors - Planners

Ray L. Vannoy  
Registered Professional Land Surveyor  
Licensed State Land Surveyor

Matthew Jay Busby  
Registered Professional Land Surveyor

THENCE North 25 degrees 31 minutes 22 seconds East, 42.75 feet to a ½ inch steel rod set at a point of curve;

THENCE Northeasterly, 155.21 feet along a curve to the right having a radius of 75.82 feet and a central angle of 117 degrees 17 minutes 55 seconds (Chord bears North 84 degrees 10 minutes 19 seconds East, 129.49 feet) to a ½ inch steel rod set on the Northwest line of Lot 3, NCB 1801-B;

THENCE North 76 degrees 45 minutes 43 seconds East, 48.11 feet along the Northwest line of Lot 3 to a ½ inch steel rod set for corner;

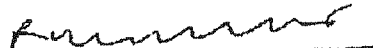
THENCE South 33 degrees 18 minutes 18 seconds West, 227.07 feet to a ½ inch steel rod found at the North corner of said Lot 1;

THENCE South 37 degrees 23 minutes 01 seconds West, 92.42 feet to the Point of Beginning.

Bearings based upon the monumented record calls for Tyler Cascades.

The description shown hereon was prepared from an on-the-ground survey performed under my supervision during the month of November, 2004.

November 10, 2004

  
Ray L. Vannoy  
R.P.L.S. No. 1988

Plat Attached: 0411-046common

Received at: 5:03PM, 3/21/2005

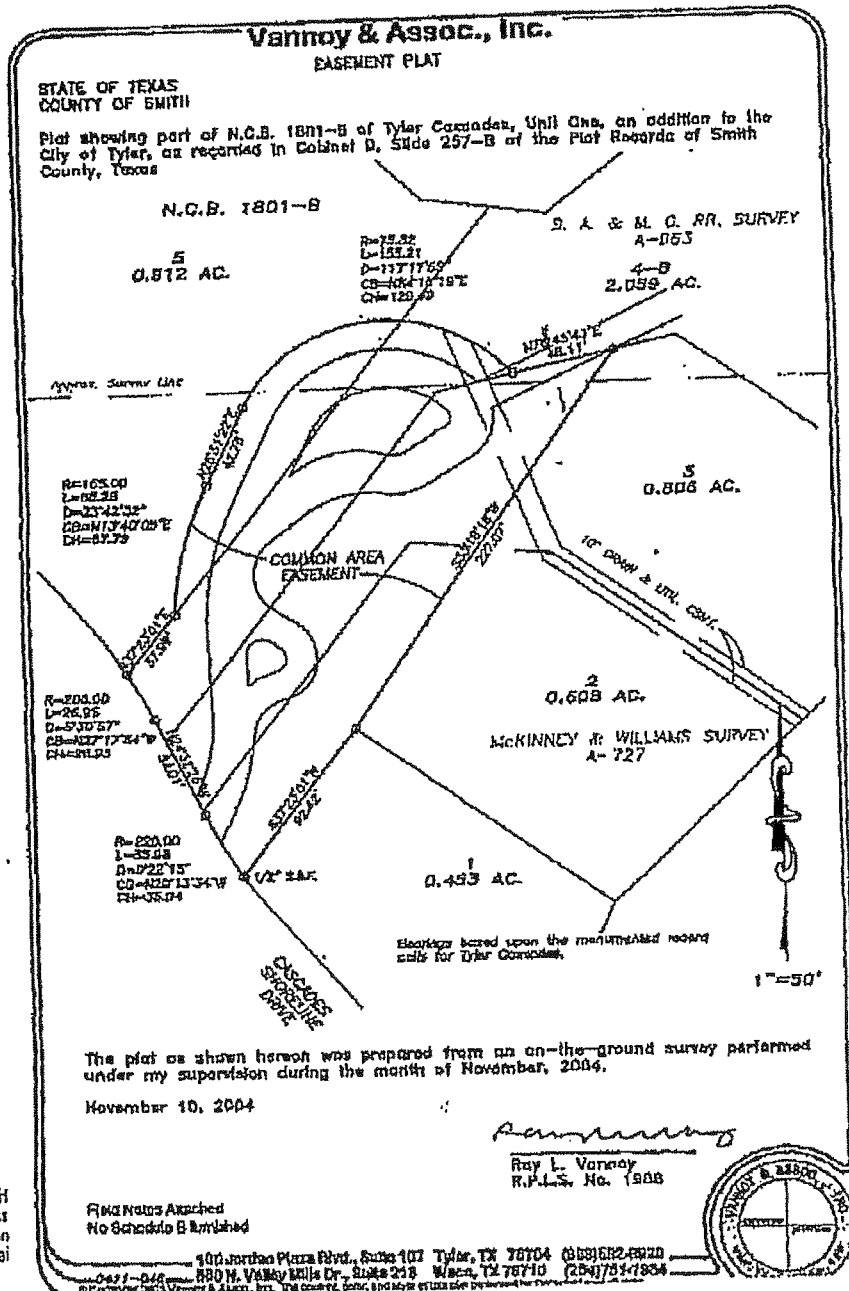
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FAX NO.

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Received at: 3:32PM, 11/12/2004



STATE OF TEXAS COUNTY OF SMITH  
I hereby certify that this instrument was  
filed on the date and time stamped herein  
by me and was duly recorded in the Official  
Public records of Smith County, Texas



NOV. 16 2004

*Judy Carnes*  
JUDY CARNES  
COUNTY CLERK, Smith County, Texas

# **POLICIES, RULES and GUIDELINES**

# **DESIGN GUIDELINES**

\*\*\*\* Electronically Filed Document \*\*\*\*

Smith County, TX  
Karen Phillips  
County Clerk

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\*\*\*\*\* THIS PAGE IS PART OF THE INSTRUMENT \*\*\*\*\*

Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY  
because of color or race is invalid and unenforceable under federal law.

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I hereby certify that this instrument was filed and duly recorded  
in the Official Records of Smith County, Texas

*Karen Phillips*  
County Clerk  
Smith County, Texas



**CORRECTED**

**SECOND AMENDED AND RESTATED**

**CASCADES DESIGN GUIDELINES**

(Corrected to add Appendices A through D and reference to Appendix D)

(This Instrument is intended to replace the Second Amended and Restated Cascades Design Guidelines filed of record on March 28, 2014 in Document Number 2014-11602.)

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EXHIBIT "A"

APPENDICES

- A PLANT LIST FOR BUILDING AREAS.....
- B. PLANT LIST FOR AREAS OUTSIDE BUILDING AREAS .....
- C. PROHIBITED PLANTS .....
- D. DEPICTION OF LOT SIZES AND DESIGNATIONS.....

**CORRECTED  
SECOND AMENDED AND RESTATED  
DESIGN GUIDELINES  
FOR  
ESTATE LOTS, FOREST LOTS, LAKE FRONT LOTS, LAKE VIEW LOTS,  
GOLF COURSE LOTS, INTERIOR LOTS AND VILLA LOTS  
(Corrected to add Appendices A through D and reference to Appendix D)**

**PREAMBLE**

A. Declarant is the successor declarant under that certain Declaration of Covenants, Conditions and Restrictions for Cascades dated as of February 20, 2004, executed by Declarant, recorded in Volume 7613, Page 4, Official Public Records, Smith County, Texas (the "Declaration", as amended by Supplemental Declaration of Covenants, Conditions and Restrictions for Cascades Designating the Subdivision of Lakeshore Village executed by Declarant, recorded November 15, 2004 in Volume 7657, Page 99, Official Public Records, Smith County, Texas; Supplemental Declaration of Covenants, Conditions and Restrictions for Cascades Designating the Subdivision of Shoreline View Village executed by Declarant, recorded December 20, 2004 in Volume 7681, Page 576, Official Public Records, Smith County, Texas; Supplemental Notice of Dedicatory Instruments For Cascades Homeowners Association, Inc. dated as of September 16, 2004, executed by Cascades Homeowners Association, Inc., recorded in Volume 7613, Page 134, Official Public Records, Smith County, Texas; Appointment of Design Review Committee, dated as of August 6, 2005, executed by Declarant, recorded under Document No. 2006-R0011377 in the Official Public Records, Smith County, Texas; Supplemental Declaration of Covenants, Conditions and Restrictions executed by Declarant, recorded under Document No. 2006-R0011378 in the Official Public Records, Smith County, Texas; First Amendment to Declaration of Covenants, Conditions and Restrictions executed by Declarant, recorded under Document No. 2006-R0011379 in the Official Public Records, Smith County, Texas; First Amendment to Supplemental Declaration of Covenants, Conditions and Restrictions for Cascades Designated the Subdivision of Shoreline View Village executed by Declarant, recorded under Document No. 2006-R0011380 in the Official Public Records, Smith County, Texas; First Amendment to Design Guidelines for Cascades executed by Declarant, recorded under Document No. 2006-R0011381 in the Official Public Records, Smith County, Texas; Second Supplemental Declaration of Covenants, Conditions and Restrictions for Cascades executed by Declarant, recorded under Document No. 2006-R00036304 in the Official Public Records, Smith County, Texas; Third Supplemental Declaration of Covenants, Conditions and Restrictions for Cascades executed by Declarant, recorded under Document No. 2006-R00040926 in the Official Public Records, Smith County, Texas; Fourth Supplemental Declaration of Covenants, Conditions and Restrictions for Cascades executed by Grantor and recorded under Document No. 2006-R00057714 in the Official Public Records, Smith County, Texas; Second Amendment to Declaration of Covenants, Conditions and Restrictions for Cascades Regarding the Subdivision of Lakeshore Village recorded in the Official Public Records, Smith County, Texas; Third Amendment to Declaration of Covenants, Conditions and Restrictions for Cascades recorded in the Official Public Records, Smith County, Texas; Fifth Supplemental Declaration of Covenants, Conditions and Restrictions for Cascades, executed by Declarant, recorded under Document No. 2007-R00030859 in the Official Public Records, Smith

County, Texas; and First Amendment to Third Supplemental Declaration of Covenants, Conditions and Restrictions for Cascades and Fifth Supplemental Declaration of Covenants, Conditions and Restrictions, executed by Declarant and recorded under Document No. \_\_\_\_\_ in the Official Public Records, Smith County, Texas, regarding certain real property more particularly described in the Declaration, reference to which is hereby made for all purposes.

B. The original Design Guidelines were adopted in conjunction with the filing of the original Declaration in Volume 7613, Page 4 of the Official Public Records, Smith County, Texas, beginning at Volume 7613, Page 93, *et seq.*, and were amended on one prior occasion in a First Amendment to Design Guidelines for Cascades ("First Amendment"), filed in Document No. 2006-R0011381 in the Official Public Records, Smith County, Texas.

C. Declarant succeeded to the position and role of declarant pursuant to that certain Assignment of Declarant, executed by Cascades Properties, Ltd. and Cawley-PB Funding, L.P., recorded as Document No. 2010-R00029128 in the Official Public Records, Smith County, Texas.

D. Section 6.1 of the Declaration provides that during the Development Period the Declarant shall have the right to adopt, modify, amend, repeal and augment the Design Guidelines as the Declarant (in its sole discretion) shall deem appropriate.

E. The Declaration provides that the Development Period commenced upon the recordation of the Declaration in the Records and continues until the earlier of (1) December 31, 2019, or (2) the date the Declarant voluntarily terminates its Class B Member status by recording a written notice of such termination in the Records.

F. As of the date hereof, the Declarant has not voluntarily terminated its Class B Member status as provided in the Declaration; and, therefore, the Declarant has the right and privilege to further amend the Design Guidelines.

G. Declarant desires to exercise its right to further amend and clarify the Design Guidelines, and as amended by the prior First Amendment and this amendment, to restate the amended Design Guidelines, all as hereinafter set forth.

H. The land originally encumbered by the Design Guidelines under the provisions of the original Declaration is described on Exhibit "A", attached hereto. This Second Amended and Restated Design Guidelines shall apply to those portions of that land which remain subject to the Declaration.

I. A detailed depiction of Lot sizes and designations as Estate Lots, Forest Lots, Lake Front Lots, Lake View Lots, Golf Course Lots, Interior Lots and Villa Lots within Cascades - Phase I is set forth on Appendix D to this Second Amended and Restate Design Guidelines.

## ARTICLE I.

DESIGN GUIDELINES USAGE

The Second Amended and Restated Design Guidelines (hereinafter referred to as the "Design Guidelines"), in conjunction with the Declaration, as amended and supplemented, has been developed to provide guidance with respect to construction of improvements on Estate Lots, Forest Lots, Lake Front Lots, Lake View Lots, Golf Course Lots, Interior Lots and Villa Lots within Cascades - Phase I, to better assure that new construction, alterations, site work, and landscaping conforms and adheres to the same level of design consistency in order to establish an overall quality of character within the Property. It is not intended that these Design Guidelines will be applicable to development of Cluster Homes, Multifamily Parcels, Condominium Parcels and/or Commercial Parcels. Supplemental Design Guidelines for the development of Cluster Homes, Condominium Parcels, Multifamily Parcels and/or Commercial Parcels, if any, may be published by Declarant at a later date.

These Design Guidelines may also be amended or supplemented from time to time as provided in the Declaration. It is the Owner's responsibility to insure that the Owner has current guidelines and has carefully reviewed all applicable sections of the Declaration. As subsequent Subdivisions are added to the Declaration, Declarant may elect to impose the Design Guidelines set forth herein on such Lots or such other Design Guidelines as Declarant may determine to be appropriate in connection with the proposed development, even if such other Subdivisions contain Estate Lots, Forest Lots, Lake Front Lots, Lake View Lots, Golf Course Lots, Interior Lots or Villa Lots.

## ARTICLE II.

THE CASCADES DESIGN PHILOSOPHY

THE CASCADES IS A UNIQUE COMMUNITY LOCATED WHERE THE POST OAK SAVANNA AND PINEYWOODS OVERLAP. THIS SPLENDID AREA CONTAINS ONE OF THE MOST BIOLOGICALLY RICH HABITATS FOUND IN TEXAS. BENEATH THE FORESTED CANOPY, SCENIC WATER VISTAS AND PARK-LIKE SETTINGS CHARACTERIZE THE MASTERFUL BLENDING OF THE BEAUTY OF NATURE WITH THE INTIMACY AND HIGH QUALITY OF ELEGANT LIVING.

The design of each Residence in Cascades shall be tailored to the unique features of each individual Lot in an effort to achieve a synthesis of nature and residence. To preserve the natural features of each Lot, such as view, significant vegetation, and elevation, each Residence shall be sited so as to minimize disruption of the site.

The purpose of the Design Review Committee is to evaluate each proposed design for appropriateness to the Lot. The Design Review Committee may determine that what was found acceptable in one situation may not be acceptable in another. The goal is for the appearance and character of all Residences and improvements to harmonize with and enhance their natural surroundings rather than to dominate and/or contrast sharply with them.

Architectural styles are not dictated by these Design Guidelines, but instead an architectural character appropriate to the setting and surrounding community is recommended so that the design of each Residence is a reflection of each Owner, while still remaining consistent with the image of Cascades as a lake shore community of old world, timeless architecture and subject to approval of the Design Review Committee.

The Cascades setting requires special attention to style, texture, color, height, materials and landscape in order to create a Residence compatible with the environment, as well as the ability to provide the Owner with a comfortable, livable home to enjoy for many years.

### ARTICLE III.

#### DEFINITIONS

When used in these Design Guidelines or in any amended or supplementary Design Guidelines, the following words, in addition to those words defined in the Declaration, unless the context shall otherwise clearly indicate or prohibit, shall have the following respective meanings:

"Accessory Structure" shall mean any structure detached from the main Residence a minimum of 10 feet.

"Architect" shall mean a person licensed to practice architecture in the State of Texas.

"Building Coverage" shall mean the total area of a Lot covered by a Residence measured from the outside of all exterior wall surfaces at ground level including all exterior stairways, covered parking and walkway areas, but excluding roof overhangs, uncovered walkways, usable areas and above-grade decks.

"Builder's Deposit" shall mean the deposit that may be required to be delivered to the Design Review Committee prior to commencing a Construction Activity.

"Building Height" shall mean the vertical distance from existing or proposed grade (whichever is most restrictive) to the midpoint of the highest sloping roof above.

"Construction Activity" shall mean any site disturbance, construction, addition or alteration of any building, landscaping or any other Improvement on any Construction Site.

"Construction Site" shall mean a Lot upon which Construction Activity takes place.

"Construction Vehicle" shall mean any car, truck, tractor, trailer or other vehicle used to perform any part of a Construction Activity or to transport equipment, supplies or workers to a Construction Site.

"Design Guidelines" shall mean this Second Amended and Restated Design Guidelines.

"Estate Lot" shall mean a Lot designated as such in the deed by which the Declarant conveys the Lot to the Owner or Builder, the Plat relating to such Lot or on such other instrument recorded in the Records deemed appropriate by the Declarant.



"Excavation" shall mean any disturbance of the surface of a Lot (except to the extent reasonably necessary for planting of approved vegetation) including any trenching that results in the removal of earth, rock or other substance from a depth of more than 12 inches below the natural surface of a Lot or any grading of the surface of a Lot.

"Fill" shall mean any addition of earth, rock or other materials to the surface of a Lot, which addition increases the natural elevation of such surface.

"Floor Area" shall mean the total square footage of horizontal areas of all floors of a Residence measured from the outside of all exterior wall surfaces.

"Forest Lot" shall mean a Lot designated as such in the deed by which the Declarant conveys the Lot to the Owner or Builder, the plat relating to such Lot or on such other instrument recorded in the Records deemed appropriate by the Declarant.

"Golf Course Lot" shall mean a Lot designated as such in the deed by which the Declarant conveys the Lot to the Owner or Builder, the Plat relating to such Lot or on such other instrument recorded in the Records deemed appropriate by the Declarant and whether or not so designated, shall include any abutting the Golf Property.

"Home Site Diagram" shall mean a sketch, drawing or plat which specifies building setback Lines, the Building Area, any special restrictions pertinent to the Lot's development as recorded in the Records, approximate topographical information related to the Lot and any additional factors that the Design Review Committee may consider to be pertinent.

"Interior Lot" shall mean a Lot designated as such in the deed by which the Declarant conveys the Lot to the Owner or Builder, the Plat relating to such Lot or on such other instrument recorded in the Records deemed appropriate by the Declarant.

"Lake Front Lot" shall mean a Lot designated as such in the deed by which the Declarant conveys the Lot to the Owner or Builder, the Plat relating to such Lot or on such other instrument recorded in the Records deemed appropriate by the Declarant and whether or not so designated, shall include any Lot abutting Bellwood Lake.

"Lake View Lot" shall mean a Lot designated as such in the deed by which the Declarant conveys the Lot to the Owner or Builder, the Plat relating to such Lot or on such other instrument recorded in the Records deemed appropriate by the Declarant.

"Story" shall mean that portion of any Residence (including the garage) included between the surface of any floor and the surface of the floor above it, or if there is no floor above, then the space between the floor and the ceiling next above it. Any portion of a Story exceeding 20 feet in height shall be considered as an additional Story for each 20 feet or fraction thereof. If the finished floor level directly above a basement or cellar is more than 6 feet above grade, such basement or cellar shall be considered a Story.

"Villa Lot" shall mean a Lot designated as such in the deed by which the Declarant conveys the Lot to the Owner or Builder, the plat relating to such Lot or on such other instrument recorded in the Records deemed appropriate by the Declarant.

## ARTICLE IV.

DESIGN REVIEW PROCESS

4.1 STAGES OF DESIGN REVIEW PROCESS. The Cascades design review process consists of an optional Preliminary Design Review, Final Design Review and work in process observations.

4.2 APPROVED DESIGN PROFESSIONALS. The Design Review Committee may, from time to time, publish a list of approved licensed design professionals who have demonstrated their familiarity with the Declaration, the Design Guidelines and requirements of the City. Owners may choose a design professional from this list or another professional to design their home at Cascades.

4.3 PRELIMINARY DESIGN REVIEW. The Design Review Committee is authorized and empowered to consider, review and comment on preliminary plans and specifications submitted in duplicate on an informal basis to assist Owners, developers, Builders and prospective purchasers of the Lots in complying with the Declaration and these Design Guidelines. The Design Review Committee shall have the right, however, to prescribe reasonable limitations concerning the time, effort and expense likely to be involved in handling such matters on an informal basis. If the preliminary plans and specifications are approved by the Design Review Committee, the Owner or the Owner's designated representative will be so advised by letter from the Cascades Homeowners Association. If found not to be in compliance with the Declaration or these Design Guidelines, the Owner or the Owner's designated representative will be so advised by letter containing a reasonably detailed statement and explanation of items found not to comply with the Declaration or these Design Guidelines. The Design Review Committee shall approve or disapprove such preliminary plans and specifications within twenty (20) business days after the actual date on which the submission is received, unless prior arrangements are agreed upon.

4.4 FINAL DESIGN REVIEW. The Owner shall provide all information necessary to reflect the design of the proposed Residence, landscape and other features requiring the approval of the Design Review Committee. All architectural plans are to be prepared by a licensed Architect. Not less than twenty (20) business days prior to commencement of construction of any Improvements on a Lot (and/or as otherwise set forth below), the Owner shall submit two full size (24" x 36") sets and one electronic set (pdf format) of final plans that include the following:

1. *Final Design Review Application Form and Fee.*

2. *Site Plan* - 1"=20'-0" minimum scale, showing building footprint, driveway, parking area, turnarounds, silt fences and drainage, fences/walls, patios, decks, pools and other site amenities planned to be installed during construction of the Residence. Existing topography and proposed grading (2' contour interval) and finished floor elevations are required for Lake Front Lots and Golf Course Lots. Topography and proposed grading plans may be required for other Lots as determined by the Design Review Committee.

3. *Floor and Roof Plans* -  $\frac{1}{4}"=1'-0"$ , indicate all room dimensions, door and window locations and sizes. Indicate the location of proposed fireplaces and kitchen appliances. Provide floor plans of all Accessory Structures.

4. *Elevations* -  $\frac{1}{4}"=1'-0"$ , illustrate the exterior appearance of all views labeled in accordance with the site plan. Indicate the highest ridge of the roof and the elevation of each floor. Describe all exterior materials and finishes (walls, roofs, trim, vents, windows, doors, etc.).

5. *Sections* - indicate building walls, floors, interior relationships, finished exterior grades and any other information to clearly describe the interior/exterior relationships of the Residence as well as the Residence's relationship to the Lot.

6. *Landscape Plans* -  $1"=20'-0"$  minimum scale, all landscape architectural plans are to be prepared by a landscape designer or landscape architect. Not less than seven (7) days prior to commencement of landscape construction, the Owner or Builder shall submit to the Design Review Committee detailed landscape plans, including an irrigation plan, lighting plan, proposed plant materials, and sizes.

4.5 FINAL DESIGN APPROVAL. At such time as the plans and other materials submitted for final design review meet the approval of the Design Review Committee, one complete full size set of final design submissions will be retained by the Design Review Committee and the other complete full size set will be marked "Approved" and returned to the Owner or the Owner's designated representative; provided, that it is acknowledged that if final landscape plans are not submitted in connection with the submissions described in Sections 4.4.(2.) - (5.) above, landscape plans will not be eligible for approval until such final landscape plans have been submitted. If found not to be in compliance with the Declaration or these Design Guidelines, the applicable submissions shall be returned to the Owner or the Owner's designated representative marked "Disapproved", accompanied by a reasonably detailed statement and explanation of items found not to comply with the Declaration or these Design Guidelines. The Design Review Committee shall approve or disapprove such submissions within twenty (20) business days after the actual date on which the complete submissions are received, unless prior arrangements are agreed upon.

4.6 RE-SUBMISSION OF PLANS. In the event that final submissions are not approved by the Design Review Committee, the Owner will follow the same procedures for a resubmission as for original submissions. An additional design review fee must accompany each resubmission as required by the Design Review Committee.

4.7 Intentionally deleted. 4.8 SUBSEQUENT CHANGES. Subsequent construction, landscaping or other changes in the Improvements that differ from approved Final Design documents must be submitted in writing to the Design Review Committee for review and approval prior to making changes.

4.9 WORK IN PROGRESS OBSERVATIONS. During construction, the Design Review Committee may check construction to ensure compliance with approved Final Design documents.

4.10 APPLICATION FEES. In order to defray the expense of reviewing plans, monitoring construction and related data, and to compensate consulting Architects, landscape Architects and other professionals, these Design Guidelines establish a total fee of \$600.00 payable upon submission of the Final Design documents. Additional fees for resubmission shall be established by the Design Review Committee on a case by case basis. This fee is subject to revision annually.

## ARTICLE V.

### SITE & LANDSCAPE GUIDELINES

5.1 HOMESITES. A Home Site Diagram will be prepared for each Lot. Developer makes no representation or warranty as to any information set forth on the Home Site Diagram. Each Owner shall be responsible for confirming all information on the Home Site Diagram to its satisfaction. Home Site Diagrams are available at the Cascades Sales Office or the Design Review Committee Office.

The Building Area established for Lots as set forth on the Home Site Diagrams shall generally reflect building setback lines of a minimum of 25 feet from the front and rear Lot boundary lines and (i) a minimum of 20 feet from the side Lot boundary lines (for Estate Lots, Forest Lots and Lake Front Lots) and (ii) a minimum of 7 feet 6 inches (for all other Lots); provided, however, the Design Review Committee, in its sole discretion, shall designate the Building Area for each Lot as necessary and appropriate for such Lot, taking into account the criteria described in the Declaration and these Design Guidelines and such matters as varying Lot configuration, topography and vegetation. Notwithstanding the foregoing to the contrary, the Building Area for a Lot shall in all events reflect building setback lines in compliance with City and/or County building, zoning and subdivision regulations, as the same may be modified from time to time, if such standards are greater than those set forth herein. A detailed depiction of the various Lot sizes and designations is attached hereto as Appendix "D".

Each Lot contains a Building Area where the Residence and related Improvements may be constructed. This area is the least restricted in terms of the type of vegetation that may be planted. Generally, the landscaping is hidden by walls or structures and is not visible to adjacent properties. This area may be as varied as desired by the Owner. However, even in the Building Area, plants listed in the Prohibited Plant List are prohibited.

The area of the Lot outside of the Building Area is essentially the portion that is visible from public areas such as the Streets, Common Property, the Golf Property and other open space. This area must be developed as "softscape" and planted with the woodland forest landscape, which ties into the overall community landscape. No hardscape elements, such as landscape structures and/or buildings may occur in this area with the exception of driveway improvements, portions of auto court areas, monuments and walls, associated gates and terraces as approved by the Design Review Committee.

5.2 COMBINING LOTS. When an Owner combines two or more lots, the Design Review Committee will designate a new Building Area location, size, and building height based on the new lot lines and the criteria described in these Design Guidelines.

5.3 BUILDING COVERAGE; MINIMUM FLOOR AREA. In no case shall Building Coverage on any Estate Lot, Forest Lot, Lake Front Lot, Lake View Lot Golf Course Lot or Interior Lot exceed 30% of the total Lot area unless otherwise approved by the Design Review Committee. Minimum Floor Area for interior air-conditioned space is 4,500 sq. ft. for Estate Lots; 3,000 sq. ft. for Lake Front Lots and Forest Lots; 2,500 sq. ft. for Lake View Lots; 2,000 sq. ft. for Golf Course Lots, Interior Lots and Villa Lots.

5.4 GRADING & DRAINAGE. Cuts, Fills and retaining walls shall create smooth transitions at top and bottom of slopes to appear to be extensions of natural landforms. Slopes shall not exceed 3:1 unless it can be demonstrated that a steeper slope will not erode. Natural slopes are to be used instead of structures wherever feasible. Cut and Fill slopes are to be appropriately replanted to the site to blend them into the surrounding environment. Replanting should be completed as soon as possible and erosion control measures should be implemented upon completion of grading. In general, Cut and Fill quantities from grading operations should balance on the Lot.

5.5 RETAINING WALL GUIDELINES. The maximum height of site retaining walls is 6 feet unless incorporated into the Residence foundation (basements). Retaining walls shall be built to extend and/or blend with the existing topography. Retaining walls which exceed 4 feet in height are to be engineered and sealed by a licensed engineer in the State of Texas. Where grade changes exceed 6 feet, stepped-back or terraced structure with ample planting terraces (4 feet minimum width) are to be used. Approved stone is to be used for all retaining walls, which are visible from public areas (such as the Streets, Common Property, Golf Property and other open space). An approved pattern, structural in appearance, is required. Other wall materials are acceptable provided they are located in the Building Area and are out of public view. Walls are to be designed with a 4:12 batter if the overall wall height exceeds 2 feet. Higher walls may be necessary due to topography and may be approved when such a solution would significantly reduce overall impacts to the Lot. The tops of walls are to be shaped to blend with natural contours. Ends of walls should not be abrupt, but are to be designed to create natural-looking transitions of spacing with existing landforms and vegetation. All retaining walls located on property lines must be approved by the Design Review Committee prior to commencement of construction of any Improvements on a Lot.

5.6 DRAINAGE GUIDELINES. In general, drainage from Improvements is to be directed into natural swales or improved channels on the Lot. No drainage on a Lot is allowed to be directed onto an adjacent property. Where practical, existing drainage patterns are to be maintained. Drainage design is to emphasize reducing erosion, runoff and adverse impacts to water quality. New drainage ways are to be designed to appear and function like natural drainage ways. Stone dry creek elements are encouraged to enhance drainage swales as part of the landscape design. Increased water flow off of the Lot is to be managed to the greatest extent possible within the Lot by systems that detain water and encourage percolation.

Ponds and artificial water features may be built only within the designated Building Area and only with the approval of the Design Review Committee. Exceptions may be granted provided they are not visible from off-site or neighboring properties or, in the opinion of the Design Review Committee, are appropriate in scale, design and location. Materials and sizes for

all culverts, visible drainage structures and driveways are to be received and approved by the Design Review Committee. When appropriate, gutters and downspouts will direct drainage from the roofs to underground to face of curb at gutter in street or on-site drainage collection areas or, to the extent permitted by the City, Bellwood Lake. In no event shall gutters and/or downspouts drain onto adjoining Lots. All drainage outfalls, culverts and the like must be covered with rock or bidden with landscape or other suitable materials.

**5.7 DRIVEWAYS & AUTO COURTS.** All driveways should blend into the natural terrain to minimize grading or other disruption of the Lot. The driveway shall minimize visibility of garage doors, driveways and off-street parking from the street, common areas and adjoining Lots. One driveway entry will be permitted for each Lot. Two curb cuts shall be allowed if the Lot or combined Lots have a minimum street frontage of 80' or the Lot fronts two streets or as approved by the Design Review Committee. Auto courts shall have a maximum paved width of 40 feet as measured along the Lot frontage or a maximum width of 45% of the total Lot width. Auto courts shall have a minimum front setback of 30 feet measured from back of street curb and a minimum 5 feet setback from the side property line. All driveway apron areas will utilize the materials and design which matches the curb detail on adjoining Cascades roads. Driveways shall be a minimum of 10 feet wide and a maximum of 14 feet wide, except at the driveway apron to garage entrances and/or where they provide a turnaround at a garage or off-street parking. Parking and turnaround areas must be located within the Building Area.

**5.8 GARAGES & PARKING.** All Lots shall include an enclosed garage that can accommodate a minimum of two (2) cars. Each Lot shall contain a minimum of two (2) guest parking spaces [in addition to the required two (2) enclosed spaces]. Parking spaces shall have a minimum dimension of 9 feet by 20 feet. Garages, particularly garage doors, must be sited and located so that visibility from the street is minimized. Side loading garages are strongly encouraged. Three (3) car garages that face the street are not permitted. Garages that incorporate doors that face the street shall not be allowed, without prior approval from the Design Review Committee. Recessed garage doors (minimum of 12 inches) are required.

Notwithstanding anything contained in Sections 5.7 and 5.8 or in any other provisions to the contrary, all driveway entries to Lots in Block -H and Block 1801-J, Cascades Estates, an addition in Smith County, Texas, according to the plat thereof recorded in Cabinet D, Slides 313 - C, D and 314 - A, Land Records, Smith County, Texas are required to access the Lots from the rear of the Lot and garages must face the rear or side of the Lot.

**5.9 PATHS, OUTDOOR STAIRS, COURTYARDS, AND TERRACES.** The spatial organization of the Residence as well as the organization of the outdoor spaces shall be designed as one unified whole. The demarcation line between indoors and outdoors should be blurred. Designing a terrace around a focal point such as a fountain, small garden pool and/or specimen tree is encouraged. All paths, outdoor stairs and terraces are to be located within the Building Area. The use of architectural devices such as balconies, courtyards, arcades and/or porches to help in the gradual transition from indoors to outdoors is encouraged. The use of natural materials such as stone, brick, tile and/or gravel is encouraged. Concrete may be used provided it is colored and textured to complement the Residence. Brick may be used if selected from the approved Cascades materials palette. Extending flooring materials from the inside of the

Residence to the outdoor spaces is encouraged. Designs should minimize the use of several different types of paving materials in order to produce a unified design.

5.10 WALLS, FENCES & GATES. Walls that exceed 4 feet in height require an integrated landscape treatment that includes a mix of vine and shrub planting so that a minimum of 50% of the wall face is softened with plantings. Walls that extend the architecture of the Residence to enclose outdoor rooms such as patios and courtyards may be up to 6 feet 9 inches in height. Approved materials for freestanding walls and fences include stucco, stone, brick, wrought iron and/or tubular steel, as approved by the Design Review Committee. No wood fencing will be allowed. Stucco will be allowed, but must include a matching stone cap and stone piers of the approved Cascades stone. All retaining walls shall be constructed of stucco or approved Cascades stone. All walls within areas visible from public space (such as Streets, Common Property, the Golf Property and other open space) must utilize an approved wall/fence style described herein, and notwithstanding any provision contained herein, all fences along a common boundary with the Golf Property must be constructed of an approved wrought iron or tubular steel material. Walls that are located within the Building Area and are out of public view may use other building materials as noted herein. Fences shall transition at gate locations at property corners by utilizing a column. All fence corners and gates visible from the street, along alleys, golf course, lake, etc. must use columns. Long run fencing must use columns every 30 to 40 feet. Side yard gates shall be a 6 feet maximum width. Corners of large, stone walls should use larger anchor stones or be "woven" together. Natural boulders of the same stone may also be incorporated into the wall foundation to further "anchor" the wall. Stone walls should respond to the topography with an alignment adjusted to fit the contours of the slope. In general, walls shall have a softened profile and form. Ends of walls should "die" into topography and/or vegetation where possible. Incorporate a mix of sizes and shapes with larger stones predominating at lower levels. Walls shall incorporate a battered design.

#### 5.11 WALL AND FENCING GUIDELINES FOR LOTS OTHER THAN ESTATE LOTS.

*Front Yard Walls and Entry Gates:* A low wall or retaining wall with a maximum height of 4 feet may be constructed along front yard Lot frontages as allowed behind the utility right of way. Walls shall be augmented with shrub and vine plantings to blend them into the landscape. Walls shall undulate with the topography and avoid long straight lines or rigid geometry. Walls must tie into vegetation and/or topography at sides of lot. Walls shall not end abruptly. Entry gates and entry monuments with low wall extensions may be built in the front yard area only upon the express approval of the Design Review Committee. Entry walls and monuments must utilize approved stucco, stone, brick, wrought iron and/or tubular steel for materials and shall augment the architectural style of the Residence. Entry walls must be set back a minimum of 2 feet behind the dedicated utility easement. Entry gates shall be set back from the paved edge of the roadway a minimum of 20 feet. Entry monuments associated with driveway gates may not exceed 6 feet 3 inches in height. It is preferred that a separate pedestrian entrance gate be incorporated in the design. Intercoms and/or gate operators shall be inconspicuously located in landscaping beside the driveway and to avoid creating a pedestrian hazard. Gates shall utilize decorative wrought iron, tubular steel, heavy wood members, stained



or painted to resist climate extremes, or a combination of both wood and wrought iron or tubular steel. Wrought iron or tubular steel shall be finished in either oxidized metal finishes in natural earth tones, or be painted flat black or dark brown. (See approved color palette for Cascades available from the Design Review Committee offices).

*Side Yard Wall Guidelines for Lots Which Adjoin Open Space, Bellwood Lake and/or the Golf Property along the Rear Yard Property Line:*

*Garden Walls Adjacent to Patio and Terraces:* Fencing with a typical height of 6 feet may occur along side yard property lines adjacent to patios, pool areas and to enclose outdoor rooms next to the Residence. Height may adjust with slope. These walls may start 10 feet behind the main facade of the Residence and extend to the rear building setback line. Alternatively, a solid wall in the material and style of the Residence may occur in a portion of the side yard to enclose an outdoor room next to the house. Walls shall be planted with vines and/or shrubs to soften their mass.

*Garden Walls that Extend beyond the Rear Building Setback Line:* Fences that extend beyond the rear building setback line may have a maximum height of 4 feet 5 inches beginning from the rear building setback line. Walls in this area shall step with the topography utilizing intermediate posts with offsets (6 inches minimum to 12 inches maximum) and, in general, follow property lines. Walls and fencing are required to have a shrub and/or vine-planting layer along a minimum of 50% of the fence. Walls and fencing shall maintain a 3 foot 9 inch minimum separation between horizontal members to comply with local pool safety enclosure ordinances.

*Rear Yard Wall Guidelines for Lots Which Adjoin Open Space, Bellwood Lake or the Golf Property along the Rear Property Line:* In general, walls are not encouraged and may be disapproved in rear yard areas that abut open space, Bellwood Lake or the Golf Property. Fences in the rear yard area shall be planted with shrubs and/or vines for 50% of the length to soften their appearance.

*Side Yard and Rear Yard Wall Guidelines for Lots Which Adjoin Other Lots on the Rear Yard Property Line:* Height may adjust with slope while maintaining an average height of 6 feet with a minimum height of 5 feet 5 inches, subject to applicable local pool safety enclosure ordinances. Walls shall be designed to augment and articulate outdoor spaces by incorporating offsets (6 inch minimum to 12 inch maximum, varied height and/or garden gates where possible). Walls shall be planted with vines and/or shrubs to soften their mass.

*Garden Walls Adjacent to Patios and Terraces:* These walls may start 10 feet behind the main facade of the Residence and extend to the rear building setback line boundary. Alternatively, a solid wall in the material and style of the Residence may occur in a portion of the side yard to enclose an outdoor room next to the Residence.



*Garden Walls Which Extend Beyond Building Setback Line:* Walls in this area must step with the topography utilizing offsets (6 inches minimum to 12 inches maximum) and, in general, follow property lines. All fences are required to have a shrub and/or vine planting layer along a minimum of 50% of the fence. Walls and fencing shall maintain a 3 foot 9 inch minimum separation between horizontal members to comply with local pool safety enclosure ordinances.

#### 5.12 WALL AND FENCING GUIDELINES FOR ESTATE LOTS.

*Front Yard Wall and Entry Gate Guidelines:* A low wall or retaining wall to a 4 foot maximum height may be constructed along front yard lot frontages as allowed behind the utility right of way. Traditional wrought iron or tubular steel pickets may be used on top of a stone wall, provided it is similar to one of the three fence types described herein. Wrought iron or tubular steel finishes shall be flat black, dark brown or dark green paint or an oxidized finish in earth tones. Walls shall be augmented with shrub and/or vine plantings to blend into the landscape. Walls shall undulate with the topography and avoid long straight lines or rigid geometry. Walls must tie into vegetation and/or topography at sides of Lot. Walls shall not end abruptly. Entry gates and entry monuments with low wall extensions may be built in the front yard area. Entry walls and monuments must utilize approved stucco, stone, brick, wrought iron or tubular steel for materials and shall augment the architectural style of the Residence. Entry walls must be set back a minimum of 2 feet behind the dedicated utility easement. Entry gates shall be set back from the paved edge of the roadway a minimum of 20 feet. Entry walls may not exceed 4 feet and associated driveway gates and monuments may not exceed 6 feet 3 inches in height. It is encouraged that a separate pedestrian entrance gate be incorporated in the design. Intercoms, solar panels for the gate operation and/or gate operators shall be inconspicuously located in the landscaping beside the driveway and located to avoid creating a pedestrian hazard. Gates shall utilize decorative wrought iron or tubular steel, heavy wood members, stained or painted to resist climate extremes, or a combination of both wood and wrought iron or tubular steel. Wrought iron or tubular steel shall be finished in either oxidized finishes in natural earth tones, or be painted flat black, dark brown, or dark green. See approved color palette for Cascades available from the Design Review Committee offices.

*Side and Rear Yard Wall Guidelines for Estate Lots:* Fencing along the side and rear property lines will have a typical height of 6 feet. Height may adjust with slope while maintaining an average height of 6 feet, with a minimum height of 3 feet 9 inches between horizontal members to comply with local safety enclosure ordinances. Walls may be solid or utilize a more open design. The materials may be stucco, ornamental iron or stone and may incorporate stone piers with ornamental iron, pickets or decorative grilles. Stucco walls must include a matching stone cap and stone piers of the approved stone, with vine planting on all visible stucco. Walls shall be planted with vines and/or shrubs to soften their mass.

5.13 LANDSCAPE STRUCTURES. Landscape structures such as arbors, gazebos, pavilions, porte-cocheres, greenhouses and decks must be located within the Building Area

unless otherwise approved by the Design Review Committee. The height, color, materials and style used for outdoor structures should be the same or similar to the Residence. Heavy wood timbers if used for rafters, posts or trellis elements must be substantial in their dimensions and be either redwood or treated with stain or paint to withstand the effects of climate. In general, the same Design Guidelines that apply to the architecture of the Residence also apply to the design of the landscape structures.

5.14 PLANTING. Plant materials should envelop the buildings and help to complete structures and outdoor rooms. Shrubs may be used as informal low walls, vines may be used to fill in walls between structural components, and trees may be used to provide scale for building masses. Existing trees on the lot shall be preserved to the greatest extent possible. Tree planting requirements as described herein may be adjusted if the Design Review Committee finds that the planting goals have been met by preserving existing trees. A gradual transition should be made from the more ornamental and "formal" planting areas near the house to the more informal landscape of the area outside the Building Area. This transition may be achieved by gradually introducing more indigenous materials arranged in more natural patterns and softening the lines of the improved areas as you move away from the main residence. Golf Course Lots shall develop planting designs that augment and extend the golf course landscape onto their Lot in order to avoid any abrupt contrasts.

Approved plant lists are located in Appendix A and B, which includes plants suggested for Building Area and areas outside of the Building Area. A Prohibited Plant List is included in Appendix C. These plants represent species with characteristics that are potentially destructive to the community landscape and have weed-like characteristics. Under no circumstances may a plant from the Prohibited Plant List be used. Lots on which the Developer has installed turf and/or plantings will be maintained by the Declarant or Association following close of escrow until the purchaser has begun construction. The purchaser shall be responsible for a special assessment to cover the costs of maintenance. This responsibility includes maintenance of the temporary irrigation system, general lawn maintenance (cutting, fertilizing, weed control, etc.) and payments to the utility provider for water. During construction, existing mature trees and landscape plantings shall be protected from damage by orange construction netting. To establish a dense forest canopy, the use of larger size boxed specimen trees is encouraged. In certain instances planting of large sized specimen trees may be required if mature trees have been removed from the Lot. Existing trees planted by the Developer to establish the forest canopy along Lot frontages shall be protected during construction and shall be either transplanted or replaced with trees of the same size and variety where relocation of driveways or building conflict with tree locations.

5.15 PLANTING GUIDELINES FOR LOTS OTHER THAN ESTATE LOTS, FOREST LOTS OR LAKE FRONT LOTS. Areas immediately adjacent to building Improvements that are not visible from off-site may use a greater variety of plant material. The use of larger specimen trees is preferred in areas close to the Residence to help blend buildings with the site, accentuate entry areas, provide for climate amelioration, and help to define outdoor spaces.

*Planting Requirement for the Front Yard:* In order to establish a dense forest canopy

throughout Cascades and along the streetscape, each Owner shall plant (to the extent trees sufficient to satisfy such requirements do not otherwise exist on such Lot) and maintain within their front yard area the following plant materials:

Trees – a minimum of two 4 inch caliper or greater as measured 6 Inches from the ground for deciduous species and/or 10 foot overall height for evergreen species chosen from the forest canopy tree list located in Appendix B.

Shrubs – Five, 5 gallon minimum size, per 500 sq. ft. of Building Area. Building Area should be rounded up to the nearest 500 sq. ft. to calculate the number of required shrubs. Shrubs shall be selected from the Plant List for Areas Outside Building Areas in Appendix B.

Vines – vines may be used as part of the landscaping design, but are not required.

5.16 PLANTING GUIDELINES FOR ESTATE LOTS, FOREST LOTS AND LAKE FRONT LOTS. Areas immediately adjacent to building Improvements that are not visible from off-site may use a greater variety of plant material. Refer to Appendices A, B and C for lists of approved and prohibited plant species for the Home Site. The use of larger specimen trees is preferred in areas close to the Residence to help blend buildings with the site, accentuate entry areas, provide for climate amelioration, and help to define outdoor spaces.

*Planting Requirements for the Front Yard:* In order to establish a dense forest canopy throughout Cascades and along the streetscape, each Owner shall plant (to the extent trees sufficient to satisfy such requirements do not otherwise exist on such Lot) and maintain within their front yard the following plant materials:

Trees - five 4 inch caliper or greater as measured 6 inches from the ground for deciduous species and/or 10 foot overall height for evergreen species per 100 linear feet of Lot frontage chosen from the forest canopy tree list located in Appendix B.

Shrubs - twenty five, 5 gallon minimum size, per 100 lineal feet of Lot frontage. Linear footage should be rounded up to the nearest 100 feet to calculate the number of required shrubs. Shrubs shall be selected from the Plant List for Building Areas in Appendix A.

Vines - vines may be used as part of the landscaping design, but are not required.

*Planting Requirements for Rear and Side Yard Walls:*

Trees - five 3 inch caliper or greater as measured 6 inches from the ground for deciduous species and/or 8 foot overall height for evergreen species per 100 linear feet of wall and/or fence as measured alongside and rear wall. Trees may be selected from the forest canopy tree list located in Appendix B.

Shrubs – ten, 5 gallon minimum size, per 100 lineal feet of wall. Lineal footage should be rounded up to the nearest 100 feet to calculate the number of required

shrubs. Shrubs shall be selected from the Plant List for Building Areas in Appendix A.

Vines - vines may be used as part of the landscaping design, but are not required.

5.17 POOLS & WATER FEATURES. In general, pools and water features should be designed to be integral parts of the outdoor rooms and visually blend with the landscape. Landscaping should be selected and arranged to complement the water feature and create "outdoor rooms". Swimming pools, spas, ponds and other water features shall be located within the Building Area. Swimming pool and pond areas must be screened with low landscape walls and/or plantings to minimize their visibility from the Golf Property, Common Property, adjacent Lots and/or open space areas. Design solutions that eliminate the need for a pool fence while complying with safety code issues are encouraged. The exposed edges of "Infinity" or "NegativeEdge" pools must utilize an approved natural stone on exposed pool walls or surfaces that are visible from off site with the base of the wall screened with shrub, vine and/or ground cover plantings. Pools and spa equipment should be located behind walls or in underground vaults to contain noise. Solid noise absorbing covers for equipment may be required after installation if the equipment is audible from adjacent properties.

5.18 IRRIGATION. All irrigation systems will utilize a central, computerized controller and a rain gauge to maximize efficiency. A planting medium (soil and amendments) shall be installed for use in all landscaped areas that will have the following characteristics: existing topsoil to have 25% organic content and a pH ranging from 5.0 to 7.0 inclusive; backfill mixture of "Terrasorb AG" or similar approved product at rate specified by manufacturer; and 3 inches of compost and organic fertilizer incorporated into bed to 6 inches depth. Incorporate bubbler irrigation systems that provide deep root-zone irrigation of trees and shrubs. Trees shall be irrigated on a bubbler system except where planted in irrigated lawns. Group plant materials according to their water consumption needs. Mulch all new planting areas, including trees in lawn areas with a minimum of 3 inches to retain soil moisture and provide for weed control.

5.19 LIGHTING. Exterior building lighting, either attached to, or as part of the building, should be the minimum needed to provide for general illumination and security of entries, patios and outdoor spaces and associated landscape structures. All flood lighting, either attached to, or as part of the building is discouraged by the Design Review Committee; however, a minimal number will be allowed for security purposes with consent of Design Review Committee. If flood lights are utilized for security purposes, they shall be installed so that activated by motion sensors only, except as otherwise permitted with the consent of the Design Review Committee. Path lighting should utilize fixtures with an 18 inch maximum height. No bollard lighting is permitted. Exterior site lighting must be directed onto vegetation or prominent site features, such as planting, and not upon the building. Special attention shall be placed on lighting impacts to adjacent homes. Lighting of plant materials shall be achieved with hidden light sources. This can be achieved by utilizing lamps recessed into the ground or hidden by plant materials. To preserve the dark sky, only discreet moonlighting and subtle uplighting of trees are encouraged. Only low voltage, incandescent lamps with a maximum of 25 watts may be used for all exterior lighting applications. To preserve the nighttime dark sky, lighting emanating from the home's interior is also subject to Design Review Committee control.

Interior lighting should be concentrated at activity areas and minimized next to windows. Built-in lighting adjacent to windows should be directed towards the home's interior. Architectural or decorative elements should be used to minimize the quantity of light escaping through the windows. With the exception of low-level driveway lights, all lighting must occur within the Building Area. Subtle lighting of the driveway entry, entry piers and/or address numbers is allowed. Pier mounted lanterns are allowed, while pole mounted lighting is not permitted.

5.20 UTILITIES AND EXTERIOR SERVICE AREAS. All site utilities within the Lot are to be installed underground. Utility boxes are to be located so that they are accessible to service personnel. All utility boxes shall be visually screened by planting and/or architectural devices. Trash disposal areas, outdoor work areas and outside equipment, including satellite dishes, are to be completely screened from off-site views by the use of architectural features or plant materials. All antennae must be located within the attic area of the Residence. Where feasible, these areas should be integrated into the main buildings. Trash container storage areas must be located so that they are easily accessible to service personnel and odors are limited. Pool, spa equipment and air conditioning units should be located behind walls or in underground vaults to contain noise. Solid noise absorbing covers for equipment may be required after installation if it is discovered that the equipment is audible from adjacent properties. Exterior storage of patio furniture and outdoor living accessories in areas visible from off-site is allowed provided it meets the following requirements: uncovered, the furniture should be stored in the same locations as if it were in use; and furniture covers must be made from non-glare material and of dark, earth tone colors.

## ARTICLE VI.

### ARCHITECTURAL GUIDELINES

6.1 BUILDING HEIGHT. The allowable Building Height for all buildings is 42 feet.

6.2 ROOFS. Roofs shall be consistent with the style of the Residence and the following:

*Roof Pitches:* Typically 8:12 to 16:12 for single pitch roofs. Double pitch roofs are to be 12:12 for the main pitch, secondary pitch is to be between 5:12 and 7:12. Shed roofs may be used as secondary elements and may be used over porches, entries or other outdoor landscape spaces.

*Eaves Depths:* In general, 12 inches to 30 inches,

*Roof Materials:* The roofs of buildings shall utilize flat tile, slate or synthetic slate in medium to dark grays, greens or browns in color. In general, the materials selected for the roof should reflect the style and design intent of the Residence and shall have a "hand crafted" or "natural" look as encouraged by these Design Guidelines. Double barrel tile may be used, provided it is compatible with the architectural style of the Residence. A Lifetime Warrantee Composition Shingle of Designer quality or greater is allowed (a list of approved shingles is available upon request through the Design Review Committee).

Minor roof elements such as those over a portico or entry area may utilize metal provided it is not reflective. See approved color palette for Cascades.

*Chimneys:* Finish to match exterior finish of Residence. Must be of masonry construction.

*Fascia Dimensions:* Fascia dimensions, in general, should be kept to a minimum and be consistent with the style of the Residence. Generally, 6 inches with no fascia being larger than 8 inches.

*Gutters and Downspouts:* If gutters are used they shall be half round and/or square and made of copper or steel. Downspouts are to be round or rectangular. Material finishes shall be selected to minimize stains to the exterior facade. Gutters located in private areas may utilize alternative materials. No vinyl or aluminum gutters will be allowed.

6.3 EXTERIOR WALLS AND FINISHES. The exterior walls of buildings shall use a minimum of 1 material with a maximum of 3, with one material clearly dominant over the other(s).

*Exterior Wall Design:* Simple, refined wall compositions that firmly tie the building to the site. In general, stone shall be used to articulate the foundation and to anchor the Residence to the site.

*Materials:* Local stone, brick, brick with stone, plaster with stone, or wood. Materials should respond to the East Texas regional climate.

*Wood:* All wood exterior infill areas shall be minimized. All wood infill areas are to be on the second story only and used to accent minor building elements and/or projections. In addition, wood shall be redwood or shall be painted or stained and may be used as accent material for doors and/or windows, railings and/or landscape structures.

*Stone/Rock:* Stone may be used as a foundation element with stucco infill walls above or used as full height columns or walls. Stone masonry may have a dry-laid, rough textured and/or rustic appearance or a more refined ashlar pattern, but should avoid shiny surface textures. Stone masonry shall have a structural appearance with larger stones placed at the base, corners of the wall or other places where justified by structural requirements. Corner details such as quoins must match the materials of the house.

*Plaster:* Plaster, if used, should be used in conjunction with stone/rock. Plastered stone walls may be utilized for foundation elements or full height walls as discussed above in Stone/Rock.

6.4 DOORS & WINDOWS. All windows and doors shall be recessed and shaded by overhanging roofs. Window and door openings shall be arranged informally.

*Windows:* Vertical, multi-paned, primarily casement and/or double hung. All windows shall be recessed a minimum of 4 inches. Window shapes may utilize shallow arched and/or flat head types or others as approved by the Design Review Committee.

*Doors:* In general, single or double door units paneled, naturally stained wood and/or multi-paned glass. Shallow arched openings may be used in courtyards and breezeways or where one outdoor space is connected to another. Entry doors shall be recessed from the front plane of the house a minimum of 18 inches. All other doors shall be recessed a minimum of 4 inches.

*Window and Door Materials and Colors:* Wood, metal clad, vinyl or metal with bronze anodized finish. Unfinished aluminum or other metal windows are not permitted. Doors, windows and door frames may be stained and/or painted. The appearance of a divided lite window may be achieved only through the use of wood or vinyl materials approved by the Design Review Committee which has the appearance of wood. A divided light appearance may not be achieved through the use of aluminum.

*Accent Trim:* Plaster (one inch reveal where no lintel is expressed), stone, cut stone and/or brick. Accent materials shall be used consistently around the structure.

*Shutters:* Operable shutters of wood, painted dark grays, medium to dark greens or stained a natural color. Colors shall complement the exterior finish materials and trim used on the building. Double shuttered windows shall be full sash height and sash width for the window they adjoin. For single shuttered openings, shutters shall be the full sash width and sash height for the window they adjoin.

*Lintels:* Brick, cut stone, cast stone and/or rough-hewn wood members.

*Glazing and Glass:* All glazing shall be double pane. Glass may be coated or tinted to control solar heat gain, but a reflective, mirrored appearance is not permitted. Decorative glass (frosted, colored and/or etched) may be used for accent areas.

**6.5 BUILDING PROJECTIONS; ACCESSORY STRUCTURES.** The use of architectural extensions to provide shade and shadow, protect buildings from the sun and create a strong indoor/outdoor relationship are outlined below. The style and details of these architectural elements, such as column and eave treatments, should be consistent with the architectural style of the Residence.

*Covered Porches:* Informal in arrangement, these areas are to be a minimum of 6 feet in depth and utilize wide overhanging roofs. Flooring materials are to be natural stone, tile, brick and/or colored concrete with bands of stone, tile or brick. In general, these areas should be extensions of the indoor areas they adjoin.

*Entry and/or Side Porches/Porticos and Balconies:* Porches and/or balconies that provide shelter from the sun, articulate building masses and accentuate entry areas are to be a minimum of 6 feet in depth.

*Arbors/Trellises:* Covered areas which connect separate structures, building masses and/or are freestanding are to be a minimum of 6 feet wide.

*Railings:* In general, decorative wrought iron, tubular steel or wood which are extensions of the architecture style of the building.



*Materials:* Materials and colors should be the same or similar to the main structure(s).

6.6 COLOR. In general, color should be muted and nonreflective. Stains may be used to protect wood from weathering, to give it a more refined texture, or to achieve a darker hue. A shiny appearance is not permitted. Woods, stone and rock should be carefully chosen so that their natural colors complement the forest landscape. Please refer to the approved color palette for Cascades available from the Design Review Committee office.

*Roofs:* No solid colors. Medium to dark browns, greens and grays with varied tonal qualities.

*Walls:* Natural, earth tone browns and medium to dark grays.

*Trim and Accent Colors:* Dark, rich earth tones that come from stains and/or refined-woods, dark grays to medium to dark gray-blues, medium to dark greens and/or medium to dark browns. Semitransparent muted colors can be applied to trim and/or shutters.

*LRV (Light Reflective Value):* Large field colors for walls and roofs must have an LRV of 35 or lower. Warm earth tone hues are desired. Trim and accent colors may have a LRV of 45 or lower. Light Restrictive Values are generally available from the paint/stain manufacturer.

6.7 DECORATIVE ELEMENTS. Metals such as wrought iron, brass and/or copper, carved stone, carved wood and/or decorative tiles may be used for fastenings and/or decorative purposes. Forms and motifs should be consistent with the overall architecture of the buildings and draw on regional influences.

6.8 MAILBOXES. All Residences must use the Cascades approved mailbox.

## ARTICLE VII.

### SAFETY AND ENVIRONMENTAL CONSIDERATIONS

7.1 SKYLIGHTS. Skylights must be integrally designed into the roof structure and are not to be obtrusive. Skylights shall not be visible from front elevations. Skylight glazing shall not be back-lit or manufactured of reflective material. Skylight framing and glazing shall be colored or coated to match adjacent materials.

7.2 FIRE PROTECTION. All buildings must comply with City ordinances. In addition, in the event Cascades installs a centralized monitoring system for fire and emergency response, all buildings designed for human occupancy, including garages, must have on automatic fire alarm system connected to the system.

7.3 SECURITY MEASURES. In the event Cascades installs a centralized monitoring system for fire and emergency response, all Residences must be connected to the system. Owners may incorporate additional security measures into their plans, subject to the following controls: exterior high-intensity lighting is not allowed; audible alarm systems will not be approved because of their potentially disruptive impact upon Cascades; and security



fencing that interrupts the flow of landscape from public areas to the Building Area is discouraged.

7.4 TELECOMMUNICATIONS & SMARTPADS. Residences within Cascades shall be designed and constructed to provide a form of structured wiring in order to take advantage of the technology provided at each Lot. The Residence telecom system shall be part of the Design Review Committee submittal and approved in accordance with the design of the Residence.

## ARTICLE VIII.

### CONSTRUCTION & BUILDER REGULATIONS

8.1 Intentionally omitted.

8.2 CONSTRUCTION AREA. Prior to the commencement of any Construction Activity, the Owner and/or the Owner's contractor will provide the Design Review Committee, for its approval, with a detailed plan of the proposed Construction Area showing the area in which all Construction Activity will be confined, and how the remaining portions of the Lot will be protected. This Construction Area Plan will designate the location and size of the construction material storage and parking areas, and the locations of the chemical toilet, temporary trailer/structure, dumpster, debris storage, firefighting equipment, utility trenching, and the limits of Excavation. The Construction Area Plan should clearly identify the methods for the protection of adjacent areas, such as fencing, flagging, rope, barricades or other means to be set up prior to construction. Care must be taken to avoid, or if unavoidable, minimize the visual impact of the Construction Area on neighboring Lots, public areas and roads.

8.3 BUILDER'S DEPOSIT. Simultaneously with an Owner's submission of plans and other materials for final design review for construction of Improvements on the Owner's Lot pursuant to Section 4.4 of these Design Guidelines, such Owner shall pay to the Association a Builder's Deposit as security for the Owner's full and faithful performance of its Construction Activity in accordance with the approved final design plans. The Builder's Deposit shall be the following amounts, or such greater amount as determined by the Design Review Committee: \$3,500.00 (for Estate Lots, Forest Lots and Lake Front Lots), \$2,500.00 (for Lake View Lots and Golf Course Lots), and \$1,500.00 (for Villa Lots and Interior Lots). The foregoing amounts may be adjusted by the Design Review Committee at its discretion. In the event the Design Review Committee disapproves of the plans and other materials submitted for final design review, the Association shall promptly return the Builder's Deposit to the Owner upon receipt of the Owner's written request to do so. If the plans and other materials submitted for final design review are approved, the Builder's Deposit shall be held by the Association in accordance with this Section 8.3. The Association may use, apply or retain any part of a Builder's Deposit to the extent required to reimburse the Association for any cost that the Association may incur pursuant to these Design Guidelines or otherwise in connection with Construction Activities on the applicable Lot, including without limitation, (i) the cost of repairing damages to neighboring Lots, Common Property, Private Streets or Public Streets caused by the Owner or the Owner's contractors, (ii) the cost of cleaning up and removing trash and debris originating from the Owner's Lot and/or any Construction Activities thereon from the Lot, other Lots, the Common

property, and any Private or Public Streets, and (iii) the cost of restoring the Owner's Lot to the condition existing prior to the commencement of nonconforming work (including, without limitation, the demolition and removal of any unapproved or nonconforming Improvement). If any part of the Builder's Deposit is applied by the Association, the Owners shall deposit immediately upon demand, with the Association, a sum equal to the amount so applied in order to restore the Builder's Deposit to its original amount. If the Owner or the Owner's Contractor fails to comply with any requirement of the Declaration, in addition to the other remedies permitted by the Declaration or these Design Guidelines, the Association shall have the right to stop all Construction Activity until such failure has been cured. The Association shall return the Builder's Deposit to the Owner within fifteen (15) working days after the issuance of a Notice of Completion from the Design Review Committee and all requirements of the Declaration and these Design Guidelines with respect to such Construction Activity have been completed.

8.4 ACCESS TO CONSTRUCTION AREA. Cascades requires all Owners and the Owner's contractors, subcontractors, agents and employees to comply with the following: restrict access to the Construction Area only through the Cascades construction entrance; identify all Construction Vehicles entering Cascades with the Builder's name and job site; enforce hours of access, speed limit and route on the Cascades road system as specified by the Design Review Committee; limit access to the Construction Area only on designated routes as specified by the Design Review Committee; and consolidate all deliveries of materials and equipment to the extent feasible.

8.5 VEHICLES & PARKING AREAS. Only Construction Vehicles, equipment and machinery that are essential to any Construction Activity may park within the Construction Area or such other specific area designated by the Design Review Committee so as to minimize potential damage to existing vegetation or landscape.

8.6 STORAGE OF MATERIALS AND EQUIPMENT. All construction materials, equipment and Construction Vehicles will be stored within the fenced boundary of the Construction Area. Equipment and machinery will be stored on-site only while needed.

8.7 CONSTRUCTION ACTIVITY TIMES. The time of construction will be limited to the period from dawn to sundown Monday through Friday and 9 A.M. until 5 P.M. on Saturday. Construction on Sunday is not permitted. Essentially quiet activities that do not involve heavy equipment or machinery may occur at other times subject to the review and approval of the Design Review Committee. No personnel are to remain at the Construction Site after working hours.

8.8 CONSTRUCTION TRAILERS & TEMPORARY STRUCTURES. Any Owner's contractor who desires to bring a construction trailer or the like to Cascades must obtain written approval from the Design Review Committee. The Design Review Committee will work closely with the Owner's contractor to site the trailer in the best possible location to minimize impacts to the site and to adjacent Lots. All such facilities will be removed from the Lot prior to issuance of a Certificate of Completion. Temporary living quarters for the Owner, Owner's contractors or subcontractors or their employees on the Lot will not be permitted.

8.9 SANITARY FACILITIES. Sanitary facilities, including potable water, must be

provided for the construction personnel on-site in a location approved by the Design Review Committee. The facility must be screened from view from adjacent Residences and roads and maintained regularly.

8.10 DEBRIS & TRASH REMOVAL. Contractors must clean up all trash and debris on the Construction Site at the end of each day. Trash and debris must be removed from each Construction Site at least once a week and transported to an authorized disposal site. Lightweight material, packaging and other items must be covered or weighted down to prevent wind from blowing such materials off the Construction Site. Contractors are prohibited from dumping, burying or burning trash anywhere in the Lot or in Cascades except in areas, if any, expressly designated by the Design Review Committee. During the construction period, each Construction Site must be kept neat and tidy to prevent it from becoming a public eyesore or affecting adjacent Lots. Dirt, mud or debris resulting from activity on each Construction Site must be promptly removed from road, open spaces and driveways to other portions of Cascades.

8.11 EXCAVATION, GRADING & TREE PROTECTION. Blowing dust resulting from grading and construction operations must be controlled by watering. During construction, erosion must be minimized on exposed cut and/or fill slopes through proper soil stabilization, water control and revegetation. The Owner and/or Owner's contractor is responsible for the implementation of erosion control techniques. Every effort must be made to avoid compaction and/or disturbance within the drip line of any existing tree(s) remaining within or outside an approved Construction Area.

8.12 FOUNDATIONS. The Owners are encouraged to seek assistance of a licensed Soil Engineer to examine and test soils conditions on their Lot prior to undertaking any design or construction. Declarant makes no representations or warranties express or implied, as to the soil conditions. The Owner and the Owner's Architect, engineer and contractor shall give due consideration to the design of the foundation systems of all structures. It is the Owner's responsibility to review an independent soils engineering investigation to determine the suitability and feasibility of any Lot for construction of the intended Improvement.

8.13 LOT SURVEY. Prior to commencement of design, it is the responsibility of the Owner to obtain a survey by a surveyor licensed in the State of Texas to confirm existing grades, tops and toes of slope, edges of existing ponds, topographical information and any other features or Lot attributes that would affect the design of any Lot Improvement.

8.14 DAMAGE REPAIR & RESTORATION. Damage to other property, including adjacent Lots, Common Properties, Public or Private Streets and/or other Improvements will not be permitted. If any such damage occurs, it must be repaired and/or restored promptly at the expense of the person causing the damage or the Owner of the Lot. Upon completion of construction, each Owner and Owner's contractor will be responsible for cleaning up the Construction Site and for the repair of all property that was damaged, including but not limited to restoring grades, planting shrubs and trees as approved or required by the Design Review Committee, and repair of streets, driveways, pathways, drains, culverts, ditches, signs, lighting and fencing.

8.15 CONSTRUCTION SIGNS. Temporary construction signage is allowed at the

Owner's discretion. A uniform construction sign detail is available from the Design Review Committee. All construction signs must be reviewed and approved by the Design Review Committee prior to installation.

8.16 PETS. Construction personnel are prohibited from bringing pets, particularly dogs into Cascades.

8.17 SECURITY. Security precautions at the Construction Site may include temporary fencing approved by the Design Review Committee. Security lights, audible alarms and guard animals will not be permitted.

8.18 NOISE. Owners and Owners' contractors will make every effort to keep noise to a minimum. Radios will not be allowed in order to minimize disturbance to neighbors.

#### ARTICLE IX

#### MISCELLANEOUS

9.1 SEVERABILITY. If any term or provision of these Design Guidelines or the application of it to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of Design Guidelines or the application of such term or provision to persons or circumstances, other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of these Design Guidelines shall be valid and shall be enforced to the extent permitted by law.

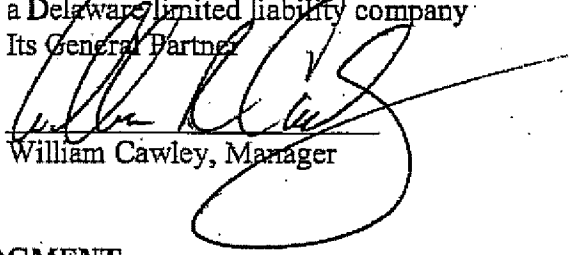
9.2 AUTHORITY. These Design Guidelines is executed by Declarant pursuant to the authority granted under Section 6.1 of the Declaration. Unless otherwise defined herein, all capitalized terms shall have the meaning of those same terms in the Declaration.

9.3 EFFECTIVE DATE. These Design Guidelines shall become effective as of the 26th day of March, 2014 ("Effective Date"), for construction of Improvements which have not been approved prior to the Effective Date.

ADOPTED by the Declarant as of the Effective Date.

**CAWLEY-PB FUNDING, L.P.**  
a Delaware limited partnership

By: Cawley-PB Funding, GP, LLC  
a Delaware limited liability company  
Its General Partner

By:   
William Cawley, Manager

**ACKNOWLEDGMENT**

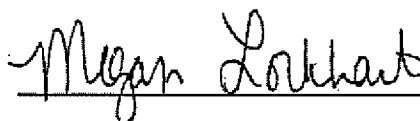
STATE OF TEXAS §

§

COUNTY OF DALLAS §

This instrument was acknowledged before me on April 23, 2014 by William R. Cawley, as Manager of Cawley-PB Funding GP, LLC, as General Partner of **CAWLEY-PB FUNDING, L.P.**, on behalf of said entities.





Notary Public

Name of Notary: Megan Lockhart

My Commission Expires: May 8, 2017

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EXHIBIT "A"

SECOND AMENDED AND RESTATED DESIGN GUIDELINES

PROPERTY

Tyler Cascades, Unit One, Section One as recorded in Cabinet D, Slide 224-A through Slide 225-A of the Plat Records of Smith County, Texas, as affected by resubdivision of certain lots within Tyler Cascades, Unit One, Section One, according to the plats recorded under Document No. 2004-R0048015 and Document No. 2004-R004816 with the County Clerk, Smith County, Texas.

Tyler Cascades, Unit One, Section Two as recorded in Cabinet D, Slide 225-B and Slide 225-C of the Plat Records of Smith County, Texas.

APPENDICES A – D  
SECOND AMENDMENT AND RESTATED  
DESIGN GUIDELINES

## A.

## PLANT LIST FOR BUILDING AREAS

BOTANICAL NAME	COMMON NAME
<b>TREES:</b>	
<i>Acer barbatum</i>	Ceddo Maple
<i>Aesculus arguta</i>	Texas Buckeye
<i>Carya texana</i>	Black Hickory
<i>Cercis canadensis</i> vs. <i>Texensis</i>	Texas Redbud
<i>Cercis canadensis</i> var. <i>Mexicana</i>	Mexican Redbud
<i>Cercis canadensis</i> var. <i>Oklahoma</i>	Oklahoma Redbud
<i>Crataegus phaenopyrum</i>	Washington Hawthorn
<i>Cornus drummondii</i>	Roughleaf Dogwood
<i>Cornus florida</i>	Flowering Dogwood
<i>Diospyros texana</i>	Texas Persimmon
<i>Diospyros virginiana</i>	Common Persimmon
<i>Ginkgo biloba</i>	Ginkgo
<i>Gleditsia triacanthos</i>	Honey Locust
<i>Ilex attenuata</i> 'Foster'	Foster Holly
<i>Ilex vomitoria</i>	Yaupon Holly
<i>Juglans nigra</i>	Black Walnut
<i>Juniperus virginiana</i>	Eastern Red Cedar
<i>Lagerstroemia indica</i>	Crape Myrtle
<i>Lyndonbar styraciflua</i>	Sweetgum
<i>Myrica carifera</i>	Wax myrtle
<i>Magnolia grandiflora</i>	Southern Magnolia
<i>Magnolia</i> 'LittleGem'	Dwarf Magnolia "Star"
<i>Prunus cerasifera</i>	Purplleaf Plum
<i>Prunus mexicana</i>	Mexican Plum
<i>Prunus persica</i>	Flowering Peach
<i>Pyrus ioensis</i>	Blanco Crabapple
<i>Quercus macrocarpa</i>	Burr Oak
<i>Quercus marilandica</i>	Blackjack Oak

## DESIGN GUIDELINES



<u>BOTANICAL NAME</u>	<u>COMMON NAME</u>
<i>Quercus michauxii</i>	Swamp Chestnut Oak
<i>Quercus muhlenbergii</i>	Chinquapin Oak
<i>Quercus phellos</i>	Willow Oak
<i>Quercus shumardii</i>	Shumard Red Oak
<i>Quercus stellata</i>	Post Oak
<i>Quercus virginiana</i>	Live Oak
<i>Rhamnus caroliniana</i>	Carolina Buckhorn
<i>Rhus copallina</i>	Winged Sumac
<i>Rhus lanceolata</i>	Prairie Flameleaf Sumac
<i>Sapindus drummondii</i>	Western Raspberry
<i>Taxodium distichum</i>	Bald Cypress
<i>Ulmus americana</i>	American Elm
<i>Ulmus crassifolia</i>	Cedar Elm
<i>Ulmus alata</i>	Winged Elm
<i>Ulmus parvifolia</i>	Lacebark Elm
<i>Viburnum rufidulum</i>	Rusty Blackhaw
<b>SHRUBS:</b>	
<i>Abelia spp.</i>	Glossy Abelia
<i>Amorpha fruticosa</i>	Indigobush
<i>Berberis swartzii</i>	Texas Barberry
<i>Berberis thunbergii</i>	Japanese Barberry
<i>Buxus microphylla</i>	Littleleaf Boxwood
<i>Collicarpa americana</i>	American Beautybush
<i>Chasmodon lutea</i>	Flowering Quince
<i>Cotoneaster spp.</i>	Cotoneaster
<i>Eunymus spp.</i>	Eunymus
<i>Entsia japonica</i>	Japanese Fatsia
<i>Forsythia x intermedia</i>	Forsythia
<i>Hesperaloe parviflora</i>	Red Yucca
<i>Hypericum spp.</i>	St. John's Wort
<i>Ilex spp.</i>	Holly

**DESIGN GUIDELINES**

BOTANICAL NAME	COMMON NAME
<i>Juniperus</i> spp.	Juniper
<i>Lagerstroemia indica</i>	Crape Myrtle
<i>Leucophyllum frutescens</i>	Texas Ranger
<i>Ligustrum japonicum</i>	Wax Leaf Ligustrum
<i>Ligustrum lucidum</i>	Japanese Ligustrum
<i>Lonicera albiflora</i>	White Honeysuckle Bush
<i>Mahonia</i> spp.	Mahonia
<i>Myrica cerifera</i>	Wax Myrtle
<i>Myrica pusilla</i>	Dwarf Wax Myrtle
<i>Nandina</i> spp.	Nandina
<i>Philadelphus texensis</i>	Texas Mock Orange
<i>Pittosporum</i> spp.	Pittosporum
<i>Raphiolepis</i> spp.	India Hawthorn
<i>Rhododendron canescens</i>	Planchon Azalea
<i>Rhus aromatica</i> spp.	Fragrant Sumac
<i>Rhus glabra</i>	Smooth Sumac
<i>Spiraea</i> spp.	Spiraea
<i>Salvia regia</i>	Mountain Sage
<i>Tetradlea gymnanthera</i>	Cleyera
<i>Viburnum</i> spp.	Viburnum
<i>Yucca recurvifolia</i>	Soft Yucca
GROUND COVERS:	
<i>Ajuga reptans</i>	Ajuga
<i>Symphoricarpos orbiculatus</i>	Coralberry
<i>Euonymus fortunei coloratus</i>	Purple Wintercreeper
<i>Festuca ovina glauca</i>	Blue Glaucagrass
<i>Glechoma hederacea</i>	Gill Ivy
<i>Hedera helix</i>	English Ivy
<i>Liriodendron spp.</i>	Lilyturf
<i>Liriodendron spicata</i>	Creeping Lilyturf
<i>Lonicera japonica</i> spp.	Honeysuckle

#### DESIGN GUIDELINES

<u>BOTANICAL NAME.</u>	<u>COMMON NAME</u>
<i>Ophiopogon japonicus</i>	Mondo Grass
<i>Patentilla varia</i>	Spring cinquefoil
<b>VINES:</b>	
<i>Antigonon leptopus</i>	Moundwreath Coralvine
<i>Bigonia capreolata</i>	Crossvine
<i>Campsis radicans</i>	Trumpet Vine
<i>Clematis paniculata</i>	Sweet Autumn Clematis
<i>Lonicera sempervirens</i>	Creeping Fig
<i>Celastrum sempervirens</i>	Carolina jessamine
<i>Hedera helix</i>	English Ivy
<i>Parthenocissus quinquefolia</i>	Virginia Creeper
<i>Parthenocissus tricuspidata</i>	Climbing Ivy
<i>Rosa setigera</i>	Prairie Rose
<i>Rosa banksiae</i>	Lady Bank's Rose
<i>Wisteria sinensis</i>	Chinese Wisteria
<b>ANNUALS/PERENNIALS:</b>	
<b>GRASSES:</b>	
<i>Andropogon gerardi</i>	Big Bluestem
<i>Andropogon glomeratus</i>	Brushy Bluestem
<i>Andropogon ternatus</i>	Spillbeard Bluestem
<i>Bouteloua curtipendula</i>	Sideoats Grama
<i>Buchloe dactyloides</i>	Buffalo Grass
<i>Cynodon dactylon</i>	Common Bermuda Grass
<i>Cynodon dactylon</i>	Tift Bermuda
<i>Festuca arundinacea</i>	Tall Fescue
<i>Panicum virgatum</i> 'Alamo'	Alamo Switch Grass
<i>Schizachyrium scoparium</i>	Little Bluestem
<i>Sorghastrum nutans</i> 'Lameta'	Lameta Indian Grass
<i>Stenotaphrum secundatum</i> var. <i>Raleigh</i>	St. Augustine Grass
<i>Tripsacum dactyloides</i>	Eastern Grama Grass
<i>Muhlenbergia spp.</i>	Deer Grass

## DESIGN GUIDELINES

<u>BOTANICAL NAME</u>	<u>COMMON NAME</u>
<i>Miscanthus</i> spp.	Maidengrass
<i>Pennisetum</i> spp.	Fountain grass
<i>Zoysia</i> spp.	Emerald Zoysia
<u>WILDFLOWERS:</u>	
<i>Aphanostephus skirrhobasis</i>	Lazy Daisy
<i>Castilleja indivisa</i>	Texas paintbrush
<i>Chrysanthemum leucanthemum</i>	Ox-Eyed Daisy
<i>Coreopsis tinctoria</i>	Plains Coreopsis
<i>Coreopsis lanceolata</i>	Lanceleaf Coreopsis
<i>Centaurus cyaneus</i>	Cornflower
<i>Dracopis amplexicaulis</i>	Clasping-leaf Coneflower
<i>Echinacea purpurea</i>	Purple Coneflower
<i>Gaillardia peltata</i>	Indian Blanket
<i>Ipomopsis rubra</i>	Standing Cypress
<i>Linum rubrum</i>	Scarlet Flax
<i>Monarda citriodora</i>	Lemon Mint
<i>Oenothera speciosa</i>	Showy Primrose
<i>Phlox drummondii</i>	Drummond Phlox
<i>Ratibida columnaris</i>	Mexican Hat
<i>Rudbeckia hirta</i>	Black-eyed Susan
<i>Verbena tenuisecta</i>	Moss Verbena
<i>Viola cornuta</i>	Johnny Jump-Up

DESIGN GUIDELINES

B.

PLANT LIST FOR AREAS OUTSIDE BUILDING AREAS

BOTANICAL NAME	COMMON NAME
FOREST CANOPY TREES:	
<i>Quercus macrocarpa</i>	Burr Oak
<i>Quercus virginiana</i>	Live Oak
<i>Quercus shumardii</i>	Shumard Red Oak
<i>Ulmus crassifolia</i>	Cedar Elm
<i>Ulmus parvifolia</i>	Lacebark Elm
<i>Acer barbatum</i>	Caddo Maple
UNDERSTORY ORNAMENTAL TREES:	
<i>Cercis canadensis</i>	Redbud
<i>Cercis reniformis</i> var. 'Oklahoma White'	White Oklahoma Redbud
<i>Cornus florida</i>	Dogwood
<i>Ilex opaca</i>	American Holly
<i>Ilex vomitoria</i>	Yaspon Holly
<i>Lagerstroemia indica</i>	Crape Myrtle
<i>Magnolia 'Little Gem'</i>	Dwarf Southern Magnolia
<i>Myrica cerifera</i>	Wax Myrtle
<i>Cercis canadensis 'Texana'</i>	Texas Redbud
SHRUBS:	
<i>Abelia spp.</i>	Glossy Abelia
<i>Amarpha fruticosa</i>	Indigobush
<i>Berberis swaseyi</i>	Texas Barberry
<i>Berberis thunbergii</i>	Japanese Barberry
<i>Callicarpa americana</i>	American beautybush
<i>Forsythia x intermedia</i>	Forsythia
<i>Hesperaloe parviflora</i>	Red Yucca
<i>Hypericum spp.</i>	St. John's Wort
<i>Ilex spp.</i>	Holly
<i>Lagerstroemia indica</i>	Crape Myrtle
<i>Leucophyllum frutescens</i>	Texas Ranger

DESIGN GUIDELINES

<u>BOTANICAL NAME</u>	<u>COMMON NAME</u>
<i>Lonicera albiflora</i>	White Honeysuckle Bush
<i>Mahonia</i> spp.	Mahonia
<i>Myrica cerifera</i>	Wax Myrtle
<i>Myrica pasilla</i>	Dwarf Wax Myrtle
<i>Nandina</i> spp.	Nandina
<i>Raphitolepis</i> spp.	India Hawthorn
<i>Rhus aromatica</i> spp.	Fragrant Sumac
<i>Rhus glabra</i>	Broadleaf Sumac
<i>Spiraea</i> spp.	Spiraea
<i>Salvia regia</i>	Mountain Sage
<i>Ternstroemia gymnanthera</i>	Cleyera
<i>Viburnum</i> spp.	Viburnum
<u>GROUND COVERS:</u>	
<i>Synloricarpus orbiculatus</i>	Coralberry
<i>Euonymus fortunei coloratus</i>	Purple Wintercreeper
<i>Hedera helix</i>	English Ivy
<i>Lonicera japonica</i> 'Pure'	Japanese Honeysuckle
<i>Trachelospermum asiaticum</i>	Asian Jasmine
<i>Liliope</i> sp.	Lilyurf (Monkeygrass)
<u>VINES:</u>	
<i>Ampelopsis leptocaulis</i>	Mountainrose Coralvine
<i>Dignonia capreolata</i>	Crossvine
<i>Campsis radicans</i>	Trumpet Vine
<i>Clematis paniculata</i>	Sweet Autumn Clematis
<i>Hedera helix</i>	English Ivy
<i>Lonicera sempervirens</i>	Coral Honeysuckle
<i>Parthenocissus vitacea</i>	Virginia Creeper
<i>Rosa setigera</i>	Climbing Prairie Rose
<i>Wisteria sinensis</i>	Chinese Wister
<i>Gelsemium sempervirens</i>	Carolina Jessamine
<u>GRASSES:</u>	

DESIGN GUIDELINES

BOTANICAL NAME	COMMON NAME
<i>Andropogon gerardii</i>	Big Bluestem
<i>Andropogon glomeratus</i>	Brushy Bluestem
<i>Andropogon ternarius</i>	Spillcane Bluestem
<i>Bouteloua curtipendula</i>	Sideoots Grass
<i>Buchloe dactyloides</i>	Buffalo Grass
<i>Cynodon dactylon</i>	Common Bermuda Grass
<i>Cynodon dactylon</i>	Till Bermuda
<i>Festuca grandhiocens</i>	Tall Fescue
<i>Panicum virgatum</i> 'Alamo'	Alamo Switch Grass
<i>Schizachyrium scoparium</i>	Little Bluestem
<i>Sorghastrum nutans</i> 'Lometa'	Lometa Indian Grass
<i>Stenotaphrum secundatum</i> var. <i>Rafeligi</i>	St. Augustine Grass
<i>Tripsacum dactyloides</i>	Eastern Grama Grass
<i>Miscanthus</i> spp.	Muldengrass
<i>Pennisetum</i> spp.	Fountain Grass
<i>Zoysia</i> sp.	Emerald Zoysia
WILDFLOWERS:	
<i>Castilleja indivisa</i>	Texas paintbrush
<i>Chrysanthemum leucanthemum</i>	Ox-Eyed Daisy
<i>Aphananthes plus skirrhobast</i>	Lacy Daisy
<i>Castilleja indivisa</i>	Texas paintbrush
<i>Chrysanthemum leucanthemum</i>	Ox-Eyed Daisy
<i>Coreopsis tinctoria</i>	Flats Coreopsis
<i>Coreopsis lanceolata</i>	Lanceleaf Coreopsis
<i>Centorea tyamus</i>	Cornflower
<i>Dracopis amplexicaulis</i>	Climbing-leaf Cornflower
<i>Echinacea purpurea</i>	Purple Coneflower
<i>Gaillardia pulchella</i>	Indian Blanket
<i>Ipomopsis rubra</i>	Standing Cypress
<i>Linum rubrum</i>	Scarlet Flax
<i>Monarda citriodora</i>	Lemon Mint

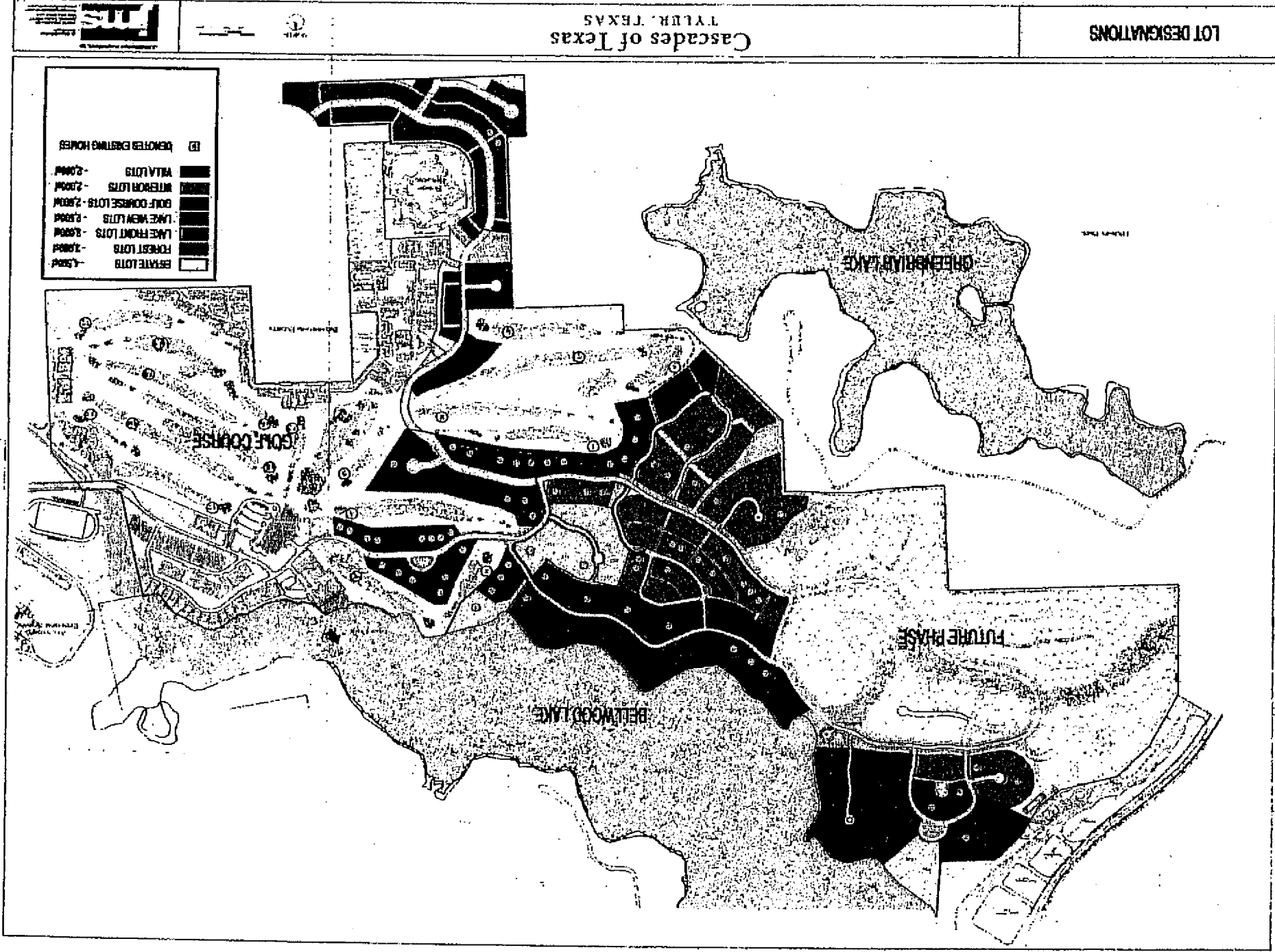
## DESIGN GUIDELINES

C  
- PROHIBITED PLANTS

BOTANICAL NAME	COMMON NAME
TREES:	
<i>Acer spicatum</i>	Silver Maple - poorly adapted, diseases, invasive roots
<i>Acer negundo</i>	Box Elder - diseases, insects, invasive roots
<i>Sapindus sibiricum</i>	Chinese Tallow Tree - exotic invader species
<i>Carya illinoensis</i>	Pecan - diseases, messy, invasive roots
<i>Catalpa speciosa</i>	Catalpa - diseases, messy, weak wood, invasive roots
<i>Gleditsia triacanthos</i>	Honey Locust - weak wood, invasive roots, short life span
<i>Melia azadirach</i>	Chinaberry - diseases, messy, weak wood, invasive roots
<i>Populus spp.</i>	Cottonwood - short life span, messy
<i>Salix spp.</i>	Willows - messy, invasive roots
<i>Madura palmifera</i>	Hedge-apple - large messy fruit
<i>Eichhornia crassipes</i>	Water Hyacinth - invasive aquatic

DESIGN GUIDELINES





\*\*\*\* Electronically Filed Document \*\*\*\*

**Smith County, TX**  
**Karen Phillips**  
**County Clerk**

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**Recorded At: 04:31:32 pm**  
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**Recording Fee: \$74.00**

**Parties:**

**Direct- RIDDLE & WILLIAMS PC**  
**Indirect-**

**Receipt Number: 707031**  
**Processed By: Crystal Hahn**

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\*\*\*\*\* THIS PAGE IS PART OF THE INSTRUMENT \*\*\*\*\*

Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY  
because of color or race is invalid and unenforceable under federal law.

---



I hereby certify that this instrument was filed and duly recorded  
in the Official Records of Smith County, Texas

  
County Clerk  
Smith County, Texas

NOTICE OF FILING  
OF  
DEDICATORY INSTRUMENTS  
FOR  
THE CASCADES  
PURSUANT TO SECTION 202.006 OF THE TEXAS PROPERTY CODE  
[Assessment Collection Policy; Covenant Enforcement and Fining Policy]

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

THIS NOTICE OF FILING OF DEDICATORY INSTRUMENTS FOR THE CASCADES PURSUANT TO SECTION 202.006 OF THE TEXAS PROPERTY CODE (this "Notice") is made this 6<sup>th</sup> day of October, 2014, by Cascades Homeowners Association, Inc. (the "Association").

WITNESSETH:

WHEREAS, Cascade Properties, Ltd. ("Declarant"), prepared and recorded an instrument entitled "Declaration of Covenants, Conditions and Restrictions for Cascades" on or about September 17, 2004, as Instrument No. 2004-R0049096 at Volume 7613, Page 004 *et seq.* of the Real Property Records of Smith County, Texas (the "Declaration"); and

WHEREAS, the Association is the property owners' association created by the Declarant to manage or regulate the planned development subject to the Declaration, which development is more particularly described in the Declaration; and

WHEREAS, Section 202.006 of the Texas Property Code provides that a property owners association must file each dedicatory instrument governing the association that has not been previously recorded in the real property records of the county in which the development is located; and

WHEREAS, the Association desires to record the Assessment Collection Policy and Covenant Enforcement and Fining Policy attached hereto as Exhibit "A" in the Real Property Records of Smith County, Texas, pursuant to and in accordance with Section 202.006 of the Texas Property Code.

NOW, THEREFORE, the dedicatory instruments attached hereto as Exhibit "A" are true and correct copies of the originals and are hereby filed of record in the Real Property Records of Smith County, Texas, in accordance with the requirements of Section 202.006 of the Texas Property Code.

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

CASCADES HOMEOWNERS ASSOCIATION, INC.,  
a Texas non-profit corporation

By: [Signature]  
Its: V.P.

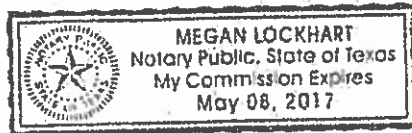
ACKNOWLEDGMENT

STATE OF TEXAS       §  
                                  §  
COUNTY OF Collin   §

BEFORE ME, the undersigned authority, on this day personally appeared Brandi K. Zell, Vice President of Cascades Homeowners Association, Inc., known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that (s)he executed the same for the purposes and consideration therein expressed on behalf of said corporation.

SUBSCRIBED AND SWORN TO BEFORE ME on this 6th day of October, 2014.

Megan Lockhart  
Notary Public, State of Texas



May 8, 2017  
My Commission Expires

PARWBWP\G Directory (Association Documents)\Notice ded\Cascades - not

**Exhibit "A"**

**Dedictory Instruments**

- A-1    Assessment Collection Policy
- A-2    Covenant Enforcement and Fining Policy

## CASCADES HOMEOWNERS ASSOCIATION, INC.

### ASSESSMENT COLLECTION POLICY

WHEREAS, Cascades Homeowners Association, Inc. (the "Association") has authority pursuant to Article V of the Declaration of Covenants, Conditions and Restrictions for Cascades (the "Declaration") to levy assessments against Owners of Lots located within the Cascades, a planned community located in Smith County, Texas (the "Development"); and

WHEREAS, in order to facilitate the timely collection of assessments and other amounts owed by Owners, and in order to comply with the Declaration and state law regarding the collection of unpaid amounts, the Board desires to establish certain procedures for the collection of assessments that remain unpaid beyond the prescribed due dates.

NOW, THEREFORE, IT IS RESOLVED that the following procedures and practices are established for the collection of assessments owing and to become owing by Owners in the Development and the same are to be known as the "Assessment Collection Policy" ("Policy") for the Association:

1. Generally. The steps and procedures contained in this Policy serve as a general outline of the Association's collection process. The Association is not bound to follow these exact procedures in every collection matter except as required by the Declaration and the laws that govern collection of assessments. The procedures below are not intended to constitute a prerequisite or condition precedent to the Association's legal ability to collect unpaid assessments and other amounts except as required by the Declaration or law.

2. Delegation to Management. To facilitate cost-effective and timely collection of all amounts owed by owners, including but not limited to assessments, dues, charges and/or related costs, the Association may delegate to management those duties determined by the Board in its sole discretion to be necessary to assist collection efforts.

3. Ownership Interests. As used herein, the term "Delinquent Owner" refers to that person who held title to a Lot on the date an assessment became due. As used herein, the term "Current Owner" refers to that person who then holds title to a Lot. Unless expressly denoted otherwise, the "Owner" of a Lot refers to the Delinquent Owner or the Current Owner or both, as may be appropriate under the circumstances in question.

4. Due Dates. Pursuant to Article V, Section 5.10 of the Declaration, the Annual Assessment shall be due and payable in full in advance on the first day of each Fiscal Year. The Board may levy Annual Assessments annually, semi-annually, quarterly or monthly. Currently, the Annual Assessments are levied annually and are due on January 1 of each year and shall, if not paid within thirty (30) calendar days thereafter, automatically become delinquent. The due date for a Special Assessment is the date stated in the notice of assessment or, if no date is stated, within ten (10) days after the notice of the assessment is given. The due date for an Individual Assessment is thirty (30) days after the date on which the Owner has received notice that an Individual Assessment has been levied or assessed. The due date for any assessment shall be



collectively referred to in this Policy as the "Due Date". Any assessment which is not paid in full within thirty (30) days of the Due Date is delinquent (the "Delinquency Date") and shall be assessed late fees, handling charges and interest as provided in Paragraphs 7, 8 and 9 below.

5. Written Notice of Default. The Association and/or its managing agent may send various notification letters to a Delinquent Owner regarding a delinquency. Prior to sending a delinquent account to the Association's legal counsel for collection, the Association will send written notice of default to the Owner via certified mail, return receipt requested (the "Default Notice"). The Default Notice shall include the following information: (i) a statement of the total amount owed and a specification of each delinquent amount; (ii) a description of the options the Owner has to avoid having the account turned over to the Association's legal counsel, including the availability of a payment plan; and (iii) a statement that the Owner has a period of at least thirty (30) days to cure the delinquency before further collection action is taken.

6. Payment Plans. Section 209.0062 of the Texas Property Code requires that the Association offer payment plans to Owners in certain circumstances.

7. Interest. In the event any assessment, or any portion thereof, is not paid in full on or before the Delinquency Date, interest on the principal amount due may be assessed against the Owner, the rate of said interest to be eighteen percent (18%) per annum and shall accrue from the Due Date until paid. Such interest, as and when it accrues hereunder, will become part of the assessment upon which it has accrued and, as such, will be subject to recovery in the manner provided herein for assessments.

8. Late Charges. In the event any assessment, or any portion thereof, is not paid in full on or before the Delinquency Date, a late charge in the amount of \$100.00 shall be assessed against the Owner and his or her Lot. The Board may, from time to time, without the necessity of seeking Owner approval, change the amount of the late charge. Such late charge, as and when levied, will become part of the assessment upon which it has been levied and, as such, will be subject to recovery in the manner provided herein for assessments. The Board may, in its sole discretion, waive the collection of any late charge; provided, however, that the waiver of any late charge shall not constitute a waiver of the Board's right to collect any future assessments or late charges.

9. Handling Charges and Return Check Fees. In order to recoup for the Association and/or its managing agent the costs incurred because of the additional administrative expenses associated with collecting delinquent assessments, collection of the following fees and charges are part of this Policy:

a. Any handling charges, administrative fees, collection costs, postage or other expenses incurred by the Association or its managing agent in connection with the collection of any assessment or related amount owing beyond the Delinquency Date for such assessment will become due and owing by the Delinquent Owner.

b. A charge of \$25.00 per item will become due and payable for any check tendered to the Association which is dishonored by the drawee of such check, the charge being in

addition to any other fee or charge which the Association is entitled to recover from an Owner in connection with collection of assessments owing with respect to such Owner's Lot.

c. Any fee or charge becoming due and payable pursuant to this Paragraph will be added to the amount then outstanding and is collectible to the same extent and in the same manner as the assessment, the delinquency of which gave rise to the incurrence of such charge, fee or expense.

10. Application of Funds Received. All monies received by the Association will be applied to the Owner's delinquency pursuant to applicable law.

11. Ownership Records. All collection notices and communications will be directed to those persons shown by the records of the Association as being the Owner of a Lot for which assessments are due and will be sent to the most recent address of such Owner solely as reflected by the records of the Association. Any notice or communication directed to a person at an address, in both cases reflected by the records of the Association as being the Owner and address for a given Lot, will be valid and effective for all purposes pursuant to the Declaration and this Policy until such time as there is actual receipt by the Association of written notification from the Owner of any change in the identity or status of such Owner or its address or both.

12. Notification of Owner's Representative. Where the interests of an Owner in a Lot have been handled by a representative or agent of such Owner or where an Owner has otherwise acted so as to put the Association on notice that its interests in a Lot have been and are being handled by a representative or agent, any notice or communication from the Association pursuant to this Policy will be deemed full and effective for all purposes if given to such representative or agent.

13. Remedies and Legal Actions. If an Owner fails to cure the delinquency within the thirty (30) day period stated in the Default Notice (as provided for above), the Association may, at its discretion and when it chooses, refer the delinquency to legal counsel for the Association. Any attorney's fees and related charges incurred by virtue of legal action taken will become part of the Owner's assessment obligation and may be collected as such as provided herein.

At the direction of Management and/or the Board, legal counsel for the Association may pursue any and all available legal remedies with regard to the delinquencies referred to it including, but not limited to, the following:

a. Notice Letter. As the initial correspondence to a Delinquent Owner, counsel will send a notice letter (the "Notice Letter") to the Owner advising the Owner of the Association's claim for all outstanding assessments and related charges, adding to the charges the attorney's fees and costs incurred for counsel's services.

b. Notice of Lien. If an Owner fails to cure the delinquency indicated in the Notice Letter, upon being requested to do so by the Board and/or Management, counsel may prepare and record in the Real Property Records of Smith County, a written notice of lien (referred to as the "Notice of Lien") against the Lot. A copy of the Notice of Lien will be sent to the Owner, together with an additional demand for payment in full of all amounts then



outstanding.

c. Foreclosure. In the event that the Owner fails to cure the delinquency, the Board may direct legal counsel to pursue foreclosure of the lien. In any foreclosure proceedings, the Owner shall be required to pay the costs and expenses of such proceedings, including reasonable attorney's fees.

i. Expedited Foreclosure Pursuant to Rules 735 & 736 of the Texas Rules of Civil Procedure. The Board may decide to foreclose its lien by exercising its power of sale granted by the Declaration. In such event, counsel may commence an expedited foreclosure lawsuit under Rules 735 and 736 of the Texas Rules of Civil Procedure ("Expedited Foreclosure"). Upon receipt from the Court of an order authorizing foreclosure of the Lot, counsel may post the Lot for foreclosure at an upcoming foreclosure sale. The Association shall have the power to bid on the Owner's Lot and improvements at foreclosure and to acquire, hold, lease, mortgage, convey or otherwise deal with the same. The Association may institute a personal judgment suit against the former Owner for any deficiency resulting from the Association's foreclosure of its assessment lien.

ii. Judicial Foreclosure. The Association may file suit for judicial foreclosure ("Judicial Foreclosure") of the assessment lien, which suit may also seek a personal money judgment. Upon receipt from the Court of an order foreclosing the Association's assessment lien against the Lot, the sheriff or constable may post the Lot for sheriff's sale. The Association shall have the power to bid on the Owner's Lot and improvements at foreclosure and to acquire, hold, lease, mortgage, convey or otherwise deal with the same.

d. Lienholder Notification. In pursuing Expedited Foreclosure or Judicial Foreclosure, the Association shall provide the 61-day notice letter to lienholders pursuant to Section 209.0091 of the Texas Property Code.

e. Lawsuit for Money Judgment. The Association may file suit for a money judgment in any court of competent jurisdiction.

f. Bankruptcy. Upon notification of a petition in bankruptcy, the Association may refer the account to legal counsel.

g. Suspension of Rights to Use Recreational Facilities. If authorized by the Declaration, Bylaws or rules and regulations, the Association may suspend an Owner's privileges to use the Association's recreational facilities.

h. Remedies Not Exclusive. All rights and remedies provided in this Policy and hereinabove are cumulative and not exclusive of any other rights or remedies that may be available to the Association, whether provided by law, equity, the Association's governing documents or otherwise.

14. Lock Boxes. The Association may establish a lock box for the receipt of assessment payments. Payments made to the lock box are deposited in the Association's bank account without regard to communications or other notices enclosed with or stated on the

payment. Any notice or communication (including, without limitation, a dispute of the debt) enclosed with or stated on the payment to the lock box will be ineffective and not binding on the Association. Any dispute of an assessment or related charge, any proposed tender of an amount less than the entire amount claimed to be due which is intended to satisfy the Owner's debt in full, or any change in the identity, status or address of an Owner, must be in writing, sent to and received by Management at the address listed on the Association's most recent management certificate.

15. Compromise of Assessment Obligations. In order to expedite the handling of collection of delinquent assessments owed to the Association, the Board may, at any time, compromise or waive the payment of any assessment, interest, late charge, handling charge, collection cost, legal fee or any other applicable charge. The Association may, at its option, notify the Internal Revenue Service of the waiver or forgiveness of any assessment obligation.

16. Severability and Legal Interpretation. In the event that any provision herein shall be determined by a court with jurisdiction to be invalid or unenforceable in any respect, such determination shall not affect the validity or enforceability of any other provision, and this Policy shall be enforced as if such provision did not exist. Furthermore, in the event that any provision of this Policy is deemed by a court with jurisdiction to be ambiguous or in contradiction with any law, this Policy and any such provision shall be interpreted in a manner that complies with an interpretation that is consistent with the law. In the event any provision of this Policy conflicts with the Declaration, the Declaration controls. In the event any provision of the Declaration related to collection of assessments conflicts with Chapter 209 of the Texas Property ("Code"), the Code controls.

IT IS FURTHER RESOLVED that this Policy replaces and supersedes in all respects all prior policies and resolutions with respect to the collection of assessments by the Association and is effective upon adoption hereof, to remain in force and effect until revoked, modified or amended.

This is to certify that the foregoing resolution was adopted by the Board of Directors at a meeting of same on October 6, 2014, and has not been modified, rescinded or revoked.

DATE: 10.6.14

  
Secretary

PARWBWPF Directory (Association Transactions)/Collect2012 CMA policies/CascadesHOA

CASCADES HOMEOWNERS ASSOCIATION, INC.

COVENANT ENFORCEMENT AND FINING POLICY

WHEREAS, the Cascades Homeowners Association, Inc. (the "Association") is authorized to enforce the covenants, conditions and restrictions contained in the Declaration of Covenants, Conditions and Restrictions for Cascades ("Declaration"), the Bylaws of Cascades Homeowners Association, Inc. ("Bylaws"), any rules, guidelines and standards, and other policies adopted by the Board pursuant to the Declaration (collectively, the "Governing Documents"); and

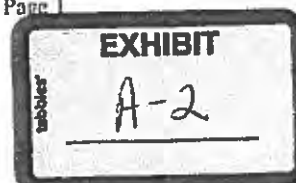
WHEREAS, pursuant to Article III, Section 3.5, and Article VIII, Section 8.4(d) of the Declaration, the Board is authorized to promulgate and enforce rules and to impose fines for violations of the provisions of the Governing Documents; and

WHEREAS, in order to comply with the requirements of Sections 209.006 and 209.007 of the Texas Residential Property Owners Protection Act (the "Act"), the Board of Directors of the Association desires to promulgate the following rules/policy establishing procedures for the enforcement of the restrictive covenants set forth in the Governing Documents and for the levying of fines against violating owners.

NOW, THEREFORE, IT IS RESOLVED that the following procedures and practices are established for the enforcement of the Governing Documents and for the curing of violations of the Governing Documents and the same are to be known as the "Covenant Enforcement and Fining Policy" (to be referred to herein as the "Enforcement Policy").

1. Exempted Actions/Remedies. This Enforcement Policy and the procedures herein do not apply if the Association files suit seeking a temporary restraining order or temporary injunctive relief, files suit to collect a regular or special assessment or foreclose under the Association's lien, is pursuing a self-help remedy, or in the event the Association temporarily suspends an Owner's right to use Common Property based upon a violation that occurred on the Common Property and involved a significant and immediate risk of harm to others in the community. This Enforcement Policy and the procedures herein do not apply to collection of assessments and related costs and charges.

2. Generally. The steps and procedures contained in this Policy serve as a general outline of the procedures to follow for enforcement of the covenants, conditions, restrictions and rules contained in the Governing Documents; provided, however, that this Enforcement Policy does not apply to collection of assessments and related costs and charges. The Association is not bound to follow the exact procedures in every enforcement matter except as required by the Governing Documents or the Act. The procedures in this Enforcement Policy are not intended to constitute a prerequisite or condition precedent to the Association's ability to pursue a remedy to enforce against any violation or to obtain any legal relief or remedy except as required by the Act.



3. Establishment of Violation. Any condition, use, activity or improvement which does not comply with the provisions of the Governing Documents shall constitute a "Violation" under this Policy for all purposes.

4. Report of Violation. Upon discovery of a Violation, the Board or its delegate may, but is not obligated to, forward to the Owner of the Lot in question written notice via regular first-class mail or via postcard of the discovery of a Violation(s) (the "Courtesy Notice"). The Owner will have at least fourteen (14) days from the date of the Courtesy Notice to correct or eliminate the Violation(s). The Board or its delegate may, in lieu of this notice, proceed immediately to the notice set forth in Paragraph 5 below.

5. Notice of Violation. If the Violation is not corrected or eliminated within the time period specified in the Courtesy Notice, or if the Board or its delegate deem it appropriate to proceed without the Courtesy Notice, the Association will forward to the Owner of the Lot in question written notice of the Violation(s) by certified mail, return receipt requested (the "Notice of Violation"). A Notice of Violation is not required if the alleged violator received a Notice of Violation relating to a similar Violation within six (6) months of the current Violation and was given a reasonable opportunity to cure the prior Violation. In such event, the Board may impose sanctions as authorized by the Declaration and/or this Enforcement Policy without notice to the Owner other than the Notice of Sanction/Fine described below. A Notice of Violation is also not required if the Act does not require it. The Notice of Violation, if required, will state the following:

a. The description of the Violation, including any property damage caused by the Owner.

b. A description of the action required to cure the Violation and a reasonable time period to cure the Violation in order to avoid sanctions.

c. The proposed sanction to be imposed, including, but not limited to, the amount of any fine, suspension of rights to use Common Property, the use of self-help remedies or the amount claimed to be due from the owner for property damage.

d. A statement that the Owner may have special rights or relief related to the enforcement action under federal law, including the Servicemembers Civil Relief Act (50 U.S.C. app. Section 501 et seq.) if the owner is serving on active military duty.

e. The recipient may, on or before thirty (30) days from the receipt of the Notice of Violation, deliver to the Association a written request for a hearing.

f. If the Violation is not corrected or eliminated within the time period specified in the Notice of Violation, or if the conduct which constitutes a Violation is committed again, or if a written request for a hearing is not made on or before thirty (30) days from the receipt of the Notice of Violation, that the sanctions or actions delineated in the Notice of Violation may be imposed or taken and that any attorney's fees and costs will be charged to the Owner.

If the hearing described in c. above is to be held before a committee or delegate of the Board, the Notice of Violation will state that the Owner has the right to appeal the decision of the committee or delegate to the Board.

6. Notice of Sanction/Fine. A formal notice of the sanction, fine or action to be imposed or taken, including the amount of any fine or the amount of any property damage (the "Notice of Sanction/Fine") will be sent by the Association to the Owner by regular first-class mail and by certified mail, return receipt requested, where, within the time period specified in the Notice of Violation, the Violation has not been corrected or eliminated (or, in the case of a recurring Violation, the Violation has reoccurred) or the Association has not timely received a written request for a hearing.

7. Request for a Hearing. If the Owner timely requests a hearing, the hearing shall be held in executive session of the Board or its delegate affording the alleged violator a reasonable opportunity to be heard. The Association will notify the Owner in writing of its decision and action.

8. Appeal. Following a hearing before a committee or delegate of the Board, the Owner shall have the right to appeal the decision to the Board. To perfect this right, a written notice of appeal must be received by the manager, president or secretary of the Association within ten (10) days after the date of the Association's written notice to the Owner of the results of the hearing. Any hearing before the Board shall be held in the same manner as provided above for hearings before a delegate of the Board.

9. Referral to Legal Counsel. Where a Violation is determined or deemed determined to exist and where the Board deems it to be in the best interests of the Association to refer the Violation to legal counsel for appropriate action, the Board may do so at any time. Such legal action may include, without limitation, sending demand letters to the violating Owner, filing a notice of violation or non-compliance against the Lot in the real property records, seeking injunctive relief against the Owner to correct or otherwise abate the Violation, and/or filing suit to collection fines and/or costs incurred to cure Violations or repair property damage. Attorney's fees and all costs incurred by the Association in enforcing the Declaration and administering this Enforcement Policy shall become the personal obligation of the Owner.

10. Fines. Subject to the provisions of this Enforcement Policy and/or the Governing Documents, the imposition of fines will be on the following basis:

a. In the event that the Owner has not cured the Violation within the requested time period (or, in the case of a recurring Violation, the Violation has reoccurred), has not made a timely written request for a hearing, or the Board subsequent to a hearing decides to levy a fine, then the Board may impose a fine up to the amount of \$100.00 against the Owner (and occupant, if different from the Owner) and the Lot. In the event that the Board imposes a fine against an Owner and a Lot, the Board or its delegate will send a notice of the imposition of a fine (the "Notice of Fine") to the Owner.

b. If the Violation is still not corrected or cured within thirty (30) days from the date of the Notice of Fine (or, in the case of a recurring Violation, the Violation has

reoccurred), then the Board may impose a second fine up to the amount of \$200.00 against the Owner and the Lot.

c. If the Violation is still not corrected or cured within thirty (30) days from the date of the notice of the second fine (or, in the case of a recurring Violation, the Violation has reoccurred), then the Board may impose a third fine up to the amount of \$300.00 against the Owner and the Lot.

d. In the event that the Violation is not cured within thirty (30) days from the date of the notice of the third fine (or, in the case of a recurring Violation, the Violation has reoccurred), the Board may impose a per diem fine against the Owner and the Lot in any amount deemed reasonable by the Board of Directors, but not to exceed \$100.00 per day.

11. Notices. Unless otherwise provided in the Enforcement Policy, all notices required by this Enforcement Policy shall be in writing and shall be deemed to have been duly given if delivered personally and/or if sent by United States Mail, first-class postage prepaid, to the Owner at the address which the Owner has designated in writing and filed with the Secretary of the Association or, if no such address has been designated, to the address of the Lot of the Owner.

a. Where the notice is directed by personal delivery, notice shall be deemed to have been given, sent, delivered or received upon actual receipt by any person accepting delivery thereof at the address of the recipient as set forth in such notice or if no person is there, by leaving the notice taped to the front door of the residence.

b. Where the notice is placed into the care and custody of the United States Postal Service, notice shall be presumed to have been given, sent, delivered or received, as of the third (3rd) calendar day following the date of postmark of such notice bearing postage prepaid and the appropriate name and address as required herein unless otherwise shown by the recipient to have been received at a later date.

c. Where a day required for an action to be taken or a notice to be given, sent, delivered or received, as the case may be, falls on a Saturday, Sunday or United States Postal Service holiday, the required date for the action or notice will be extended to the first day following which is neither a Saturday, Sunday or United States Postal Service holiday.

d. Where the Board has actual knowledge that an enforcement action would directly affect a third party (e.g. a tenant or a neighbor) or involves a Violation by a party other than the Owner, notices required under this Enforcement Policy may be given, if possible, to such third party in addition to the Owner. Notwithstanding any notice sent to a third party, the Owner remains the party responsible for compliance with the requirements of the Governing Documents. The Board shall accept a response from any such third party only upon the written direction of the Owner of the Lot upon which the Violation exists.

e. Where the interests of an Owner in a Lot have been handled by a representative or agent of such Owner or where an Owner has otherwise acted so as to put the Association on notice that its interest in a Lot has been and are being handled by a representative

or agent, any notice or communication from the Association pursuant to this Enforcement Policy will be deemed full and effective for all purposes if given to such representative or agent.

f. Where an Owner transfers record title to a Lot at any time during the pendency of any procedure prescribed by this Enforcement Policy, such Owner shall remain personally liable for all costs and fines under this Enforcement Policy. As soon as practical after receipt by the Association of a notice of a change in the record title to a Lot which is the subject of enforcement proceedings under this Enforcement Policy, the Board may begin enforcement proceedings against the new Owner in accordance with this Enforcement Policy. The new Owner shall be personally liable for all costs and fines under this Enforcement Policy which are the result of the new Owner's failure and/or refusal to correct or eliminate the Violation in the time and manner specified under this Enforcement Policy.

12. Cure of Violation During Enforcement. An Owner may correct or eliminate a Violation at any time during the pendency of any procedure prescribed by this Enforcement Policy. Upon verification by the Board that the Violation has been corrected or eliminated, the Violation will be deemed no longer to exist. The Owner will remain liable for all costs and fines under this Enforcement Policy.

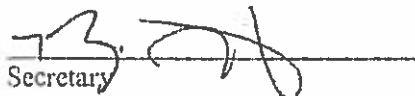
13. Definitions. The definitions contained in the Declaration and Bylaws are hereby incorporated herein by reference.

14. Severability and Legal Interpretation. In the event that any provision herein shall be determined by a court with jurisdiction to be invalid or unenforceable in any respect, such determination shall not affect the validity or enforceability of any other provision, and this Enforcement Policy shall be enforced as if such provision did not exist. Furthermore, in the event that any provision of this Enforcement Policy is deemed by a court with jurisdiction to be ambiguous or in contradiction with any law, this Enforcement Policy and any such provision shall be interpreted in a manner that complies with an interpretation that is consistent with the law. In the event any provision of this Enforcement Policy conflicts with the Declaration, the Declaration controls.

IT IS FURTHER RESOLVED that this Covenant Enforcement and Fining Policy is effective upon adoption hereof, to remain in force and effect until revoked, modified or amended.

This is to certify that the foregoing resolution was adopted by the Board of Directors at a meeting of same on October 6, 2014, 2014, and has not been modified, rescinded or revoked.

DATE: 10.6.14

  
Secretary

**OTHER  
PERTINENT  
INFORMATION**



THE STATE OF TEXAS       §  
                                   §       KNOW ALL MEN BY THESE PRESENTS  
 COUNTY OF SMITH       §

2

This APPOINTMENT OF DESIGN REVIEW COMMITTEE is made and entered into this 6th day of August, 2005, by **CASCADE PROPERTIES, LTD.**, a Texas limited partnership ("Declarant").

RECITALS:

WHEREAS, Declarant is the Declarant under that certain Declaration of Covenants, Conditions and Restrictions for Cascades dated February 20, 2004, recorded as Document No. 2004-R0049096, Deed Records, Smith County, Texas (the "Declaration") regarding certain real property more particularly described in the Declaration, reference to which is hereby made for all purposes (the "Property");

WHEREAS, Section 6.2 of the Declaration provides that during the Development Period (as defined in the declaration) the Declarant shall have, in its sole discretion, to appoint the members of the Design Review Committee;

WHEREAS, the Declaration provides that the Development Period commenced upon the recordation of the Declaration in the Records and continues until the earlier of (a) December 31, 2029 or (b) the date the Declarant voluntarily terminates its Class B Member status by recording a written notice of such termination in the Deed Records of Smith County, Texas;

WHEREAS, as of the date hereof the Development Period has not expired and Declarant has not voluntarily terminated its Class B Member status as provided in the Declaration; therefore, Declarant in its sole discretion, has the right to appoint the members of the Design Review Committee; and

WHEREAS, Declarant desires to appoint members to the Design Review Committee.

NOW, THEREFORE,

- A. Declarant does hereby appoint the following persons to the Design Review Committee (until such persons resign or are replaced pursuant to the provisions of the Declaration):

David Phillips

Lew Anderton

Steve Braley

Filed for Record in:  
 SMITH COUNTY, TEXAS  
 JUDY CARNES, COUNTY CLERK  
 On Mar 09 2005  
 At 11:45am  
 Receipt #: 379151  
 Recording: 20.00  
 Doc/Num : 2006-R0011377  
 Doc/Type : REC  
 Deputy -Rebeca Calderon

B. The address for contacting any member of the Design Review Committee shall be:

2611 Cascades Golf Club Drive  
Tyler, Texas 75709  
Attention: Lew Anderton

C. Capitalized terms which are used herein but not defined shall have the same meaning given to such terms in the Declaration.

EXECUTED to be effective as of the date first written above.

STATE OF TEXAS COUNTY OF SMITH  
I hereby certify that this instrument was  
filed on the date and time stamped hereon  
by me and was duly recorded in the Official  
Public records of Smith County, Texas.

DECLARANT:

CASCADE PROPERTIES, LTD.,  
a Texas limited partnership

By: Cascade Properties GP Corp.,  
a Texas corporation, General Partner



MAR 09 2006

*Judy Carnes*  
JUDY CARNES  
COUNTY CLERK, Smith County, Texas

By: *Lew Anderton*  
Lew Anderton, President

THE STATE OF TEXAS §  
§  
COUNTY OF DALLAS §

This instrument was acknowledged before me on the 3<sup>rd</sup> day of March, 2006, by Lew Anderton, President of Cascade Properties GP Corp., a Texas corporation, General Partner of **CASCADE PROPERTIES, LTD.**, a Texas limited partnership on behalf of said corporation and said limited partnership.

*Brenda D. Murphy*  
NOTARY PUBLIC IN AND FOR  
THE STATE OF TEXAS

AFTER RECORDING, PLEASE RETURN TO:

David M. Tatum  
Geary, Porter & Donovan, P.C.  
16475 Dallas Parkway, Suite 500  
Addison, Texas 75001

(1065)

