**State of Texas Declaration of Covenants, Conditions,**

**County of Navarro and Restrictions of Pelican Isle Section I**

First American Land Inc., a Texas Corporation, hereinafter called “Declarant” is the Owner in fee simple of certain real property located in Navarro County, Texas said property being fully described in Exhibit “A” hereto attached for all purposes of this instrument the same as if it were written herein.

 Subject property is now or will be divided unto smaller parts or tracts, the total of which will hereinafter be referred to as the “Project”, or as Pelican Isle subdivision.

 The Improvement Permit issued by Tarrant County Water Control and Improvement District Number One to First American Land Inc. is incorporated herein as Exhibit “B” and is made a part hereof and the provisions thereof are binding upon Declarant and all grantees and assignees of Declarant and the obligations therein imposed constitute convenants running with the land.

 For the purposes of enhancing and protecting the value, utility, attractiveness and desirability of the tracts constituting such project, Declarant hereby declares that all of the real property described above and each part thereof shall be held, sold, and conveyed only subject to the following easements, authority, covenants, conditions, and restrictions, which shall constitute covenants running with the land and shall be binding on all parties having any right, title, or interest in the above described property or any part thereof, their heirs, successors, and assigns, and shall inure to the benefit of each Owner thereof.

ARTICLE I. DEFINITIONS

Section 1. “Association” shall mean and refer to the Pelican Isle Property Owners Association, its successors and assigns, or corporate entity of similar name as created by Developer.

Section 2. “Declarant” shall mean First American Land Inc. and its successors and assigns, provided such an assign acquires the project in total, or the remainder in total for purposes of development and sale. Declarant may be referred to as Developer.

Section 3. “Tract” shall mean any plot of land as is divided or re-divided within the project.

Section 4. “Maintenance” shall mean the exercise of reasonable care to keep buildings, roads, land-scaping, lighting, drainage, irrigation systems, commons and other related improvements and fixtures in a condition comparable to their original condition, normal wear and tear excepted.

Section 5. “Member” shall mean every person or entity who holds membership in the Association, each purchaser of property in the project becomes a member of the association upon purchase.

Section 6. “Mortgage” shall mean a holder of a bonafide mortgage or a beneficiary under of holder of a Deed of Trust.

Section 7. “Mortgage” shall mean a bonafide mortgage, a Deed of Trust, of a Vendor’s Lien.

Section 8. “Authority” shall mean that authority as created herein and vested in the Association.

Section 9. “Board” shall mean the Board of Directors of the Association.

Section 10. “Drives” shall mean any common reserved for use by all Owners for vehicular traffic.

Section 11. “Commons” shall mean any property reserved for or dedicated to the common use of property Owners.

Section 12. “Owner” shall mean the record Owner, including the Declarant, whether one of more persons or entities, of fee simple title to any tract which is part of the project, and shall include purchasers under contract for deed, but shall not include those holding titles merely as security for performance of an obligation.

Section 13. “Project” shall mean the real property herein described in Exhibit “A”, and such additions thereto as may be brought within the jurisdiction of the Association as hereinafter provided.

Section 14. “Residence” shall mean the continuous occupation of a structure of any kind for more than 14 days.

Section 15. “Flowage Easement” shall mean all lots below the 320 feet Mean Sea Level as indicated on the Pelican Isle Plat is subject to Lake Inundation.

ARTICLE II. EASEMENTS, DRIVES, ROADS, AND PRIVATE ROADS

 Section 1. All land located below the 320’ M.L.S. and as indicated on the final plat of Pelican Isle is subject to a flowage easement granted to the Tarrant County W.C. and I.D. #1 for the purposes of permitting water to intermittently flow or stand upon said easement area, although such easement area will not be used by Grantee as a part of the normal conservation elevation of 315 feet above mean sea level. No structures of improvements shall be erected by Grantor, their heirs, successors or assigns within the area of the flowage easement without the prior written consent of Tarrant County W.C. and I.D. #1.

 Section 2. Private roads, drives, or access easements and easements for installation and maintenance of utilities, irrigation and drainage, are established by separate instrument of instruments of record or to be placed of record in the office of the County Clerk and as hereinafter set forth. Within such easements and private roads, no structure, planting, or other material shall be placed or permitted to remain which may damage, interfere with the installation and maintenance of service or utilities, or which may damage, interfere with, or change the direction or flow of drainage facilities in the easements, or which may interfere with passage along such private road easements. The easement area of each tract and all improvements therein shall be continuously maintained by the Owner of such tract, except for improvements for maintenance of which a public, private, or quasi-public authority or utility company is responsible.

 Section 3. No dwelling unit or other structure of any kind shall be built, erected, or maintained on any such easement, reservation, of right of way, and such easements, reservation, and rights of way shall at all times be open and accessible to representatives of the Authority, to public and quasi-public utility corporations, their employees and contractors, and shall also be open and accessible to Declarant, its successors and assigns, all of whom shall have the right and privilege of doing whatever may be necessary in or under, and above such locations to carry out any of the purposes for which such assessments, reservations, and rights of way are reserved.

 Section 4. The Association, through its duly authorized employees and contractors, shall have the right after reasonable notice to the Owner thereof, to enter any tract at any reasonable time on any day to perform such maintenance as may be authorized herein.

 Section 5. The private drive or roadway easements as set forth by separate instruments are for the private use and benefit of the Owners of the tracts within the project as therein prescribed, and under the conditions as therein set forth, and are not dedicated to the general public.

 Section 6. The Association in its authority may take unto itself or execute unto any other fresh water supply or other utility entity right of way easements in the form and under the conditions as may at that time be required by said entity as a prerequisite to service of this project with fresh water or other utility.

 Section 7. It is understood and agreed that the assessments granted herein and to be granted hereinafter are reserved as permanent easements for the purpose set forth and are not subject to the time limit applicable to other restrictions.

 Section 8. There is hereby reserved and established a utility easement adjacent and parallel to all roadway easements. Said utility easements is twenty (20) feet wide upon the ground and twenty (20) feet wide above the ground and extends from the outside boundary of the roadway easement into and upon the adjoining property on each side thereof. There is further reserved an easement into all property adjacent thereto for the purpose of installation of guy wires where necessary for securing utility poles.

 Section 9. There is hereby reserved and established an easement for purposes of drainage and/or service of utilities upon and in addition to the purposes of any existing easement of record and being still valid, and/or drainage easements.

ARTICLE III. ARCHITECTURAL CONTROL

 Section 1. No building or camping vehicle shall be erected, placed, or altered on any tract until the construction plans and specifications and a plan showing the location of the structure have been approved by the Architectural Control Committee as to quality of workmanship and materials, harmony of external design with existing structures, and as to location with respect to topography and finish grade elevation, approval shall be provided herein. Any planned construction on Lots below the 320’ M.S.L. as shown on the plat of Pelican Isle must be submitted to Tarrant County Water Control Improvement District at R. 1, Box 155B, Streetman, Tx 75859 for approval and permitting.

 Section 2. The Architectural Control Committee is hereby authorized to enforce any building or fire codes, or any rules, restrictions or requirements concerning the construction of all improvements in this project. Said requirements having been made by an Authority, local, county, state, or otherwise, having the legal authority to make such requirements.

 Section 3. ARCHITECTURAL CONTROL COMMITTEE: Architectural Control Committee is composed of three persons appointed by the Board of the Property Owners Association. In the event of death, dismissal, or resignation of any member of this committee, the remaining members shall have full authority to designate a successor, subject to approval of the Association Board. Neither the members of the committee nor its designated representative, shall be entitled to any compensation for services performed pursuant to this covenant except as is budgeted and approved by the Association Board.

 Section 4. PROCEDURE: The committee’s approval or disapproval as required in these covenants shall be in writing. In the event the committee, or its designated representative fail to approve or disapprove within thirty days (30) after plans and specifications have been submitted to it, or in any event, if no suit to enjoin the construction has been commenced prior to the completion thereof, approval will not be required and the related covenants shall be deemed to have been fully complied with. Temporary use of camper vehicles may be permitted prior to approval.

ARTICLE IV. USE RESTRICTIONS

 Section 1. TYPE OF BUILDING PERMITTED: All lots in Blocks 1 through 3 shall be used for family camping purposes only. Permanent residents are expressly prohibited. Reserves A, B, C, D, and E are excepted from these restrictions.

 Section 2. CAMPING VEHICLES, BUILDINGS AND OTHER STRUCTURES: Subject to the limitations and other provisions of these Restrictions the following may be used for camping purposes:

1. Mobile campers (travel trailers)
2. Portable campers (modular structures)
3. Motor homes
4. Tents

Section 3. SETBACKS: No building or camper shall be located on any tract nearer than twenty (20) feet to the front tract line. No building or camper shall be located nearer than five (5) feet to the side tract line. For the purpose of this covenant, eaves, steps, and open porches shall not be considered as a part of this restriction: provided however, that this shall not be construed to permit any portion of the building or camper on any tract to encroach upon another tract.

Section 4. MINIMUM CAMPER AND/OR STRUCTURE REQUIREMENTS: The following are mandatory requirements to be used by the Architectural Control Committee in its approval of design, appearance and condition of camper and/or structure facilities.

1. Mobile campers – The unit must be of professional construction and in good repair and of an attractive design and appearance.
2. Portable campers – The unit must be of commercial quality, in good repair and of an attractive design and appearance. Portable or skid campers shall not contain more than 400 square feet of floor space in the enclosed living area, exclusive of open or screened porches or breezeways. It is especially provided that all exterior walls except redwood and cedar must be painted or stained or if not painted then constructed of an approved commercial exterior material. A recent photograph of the unit shall be submitted with the application for approval referred to in the restrictions.
3. Motor homes – The unit must be of professional construction and in good repair and of an attractive design and appearance. A recent photograph of the unit shall be submitted with the application for approval referred to in the restrictions.
4. Tents – Tents shall be of professional construction and in good repair and of an attractive design and appearance. Tents can be used for temporary camping only and cannot be left set up on the lot unattended for more than 24 hours at any one time.
5. Storage buildings – The unit may not exceed 100 square feet and must be of commercial quality, in good repair and of an attractive design and appearance. All exterior walls except redwood and cedar must be painted or stained or if not painted then constructed of an approved commercial exterior material. Storage buildings on Lots below the 320’ M.S.L. as shown on the plat of Pelican Isle must be submitted to Tarrant County Water Control Improvement District for approval and permitting.

Section 5. REMOVAL OF NON CONFORMING CAMPERS OR STRUCTURES: In the event of default on the part of the owner or occupant of any lot in observing the requirements of these restrictions and/or the requirements of the Architectural Control Committee and with such default continuing after ten (10) days written notice thereof, Developer, the Architectural Control Committee, or its or their assigns shall, without liability to the owner or occupant in trespass, damages or otherwise, enter upon said lot and remove the Camper or other structure in default. The owner or occupant, as the case may be, agrees by the purchase or occupation of the property to pay the cost of such removal and any storage fees immediately upon receipt of a statement thereof. The mailing of ten (10) days written notice to the address shown on Owners’ Contract of Sale shall be deemed to be full compliance by Developer of its duty to notify in writing set out hereinabove.

Section 6. SEWAGE DISPOSAL: No outside toilet or privy shall be erected or maintained on any lot hereunder, not shall any sewage be disposed of upon, in or under any lot hereunder, except into a holding tank or into an organized disposal system operated pursuant to a permit from the Tarrant County Water Control Improvement District and the Texas Department of Water Resources. All plumbing, connecting lines and holding tanks installed for the disposal of sewage on any lot hereunder shall conform with the requirements of the Health Department of the State of Texas, the Texas Department of Water Resources, Tarrant County Water Control Improvement District and the Local Health Authorities (if applicable). Self contained sanitation systems may be used by temporary campers, provided each meets the State of Texas environmental and pollution regulations and is constructed to be gas and odor tight. All self contained sanitation systems (permanently installed in a mobile camper or motor home with holding tanks, or self contained portable units) must be evacuated when needed and maintained in a sanitary condition without odor. Self contained systems may be emptied in a designated dump station only. The dumping, emptying or evacuation of sewage or waste water onto the ground of into any ditch or drainage facility within the Subdivision is strictly prohibited. In addition, such action is a violation of Chapter 26 of the Texas Water Code and of the Texas Water Quality Board Order No. 77-0714-1 and is subject to civil and criminal penalties. The Association will vigorously assist in the prosecution of any person or persons engaged in such action.

Section 7. RESUBDIVISION OF CONSOLIDATION: None of said tracts shall be resubdivided in any fashion except upon the approval of the Architectural Control Committee.

Section 8. EASEMENTS: Perpetual easements are reserved over and across the tracts for electrical power, water, sewerage, gas, telephone, television cable, and similar utility facilities along with easements, shown on the recorded plat and all said easements, are adopted as part of these restrictions. There is also reserved and dedicated hereby for the use of the Developer and any public or private utility company an unobstructed aerial easement five (5) feet wide from a plane twenty (20) feet above the ground upward, located adjacent to above all dedicated utility easements. The easements reserved and dedicated under the terms and provisions hereof shall be for the general benefit of the subdivision and shall also inure to the benefit of and may be used by any public or private utility company entering into and upon said property for the purposes of aforesaid, without the necessity of any further grant of such easement rights to such utility companies. No utility company, political subdivision, or other authorized entity using the easement herein referred to shall be liable for any damage done by them of their assigns, agents, employees, or servants to shrubbery, trees, or flowers, or to other property of the owner situated within any such easement.

Section 9. NOXIOUS OF OFFENSIVE ACTIVITIES PROHIBITED: No noxious or offensive activity shall be carried on upon any tract, nor shall anything be done thereon which may become an annoyance or nuisance to the neighborhood.

1. No dirt bikes, trail bikes, enduros, or other off-road motor bikes of any kind may be operated within the Subdivision under any circumstances. Motor bikes which are equipped so as to be legal for operation within public streets may be operated within the Subdivision but only on designated streets.

Section 10. PROHIBITED RESIDENTIAL USES: No structure of any character, or out building shall be used on any tract at any time as a residence, either temporarily or permanently.

Section 11. SIGNS: No signs of any character shall be allowed on any tract except one sign of not more that 30” x 18” advertising the property for sale or rent.

Section 12. OIL DEVELOPMENT PROHIBITED: No oil well drilling, oil development operations, oil refining, quarrying, or mining operations of any kind shall be permitted on any tract. No derrick or other structure designed for use in boring for oil, natural gas, or other minerals shall be erected, maintained, or permitted on any tract.

Section 13. RUBBISH, TRASH, AND GARBAGE: No tract shall be used or maintained as a dumping ground for rubbish, of junk; and no garbage or other waste shall be kept except in sanitary containers. All incinerators or other equipment for the storage and disposal of such material shall be kept in a clean and sanitary condition.

Section 14. ANIMALS: No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any tract except that dogs, cats or other household pets may be kept, provided that they are not kept, bred, or maintained by commercial purposes.

Section 15. FENCES, WALLS, HEDGES, AND UTILITY METERS: No fence, wall, hedge, or utility meter shall be placed, or permitted to remain, on any tract nearer to the street or streets adjoining such tract except for decorative subdivision entry fences; and further provided that no fence shall exceed four (4) feet in height except for those around pools and tennis courts. No barbed wire fence will be permitted.

Section 16. SHRUBS AND TREES: No shrub or tree planting which obstructs sigh lines at elevations between two (2) and six (6) feet above the roadway shall be planted or permitted to remain on any corner tract within the triangular area formed by the curb lines of such intersecting streets and a line connection such curb lines at points twenty-five (25) feet from their intersections or, in the case of a rounded corner, from the intersection of the curb line extended. The same sight line limitation shall apply on any tract within ten (10) feet of the intersection unless the foliage line is maintained at height of more than six (6) feet above the ground level. All camping areas will be required to be landscaped with a minimum package of TWO HUNDRED, FIFTY DOLLARS ($250.00).

Section 17. BOATS, TRAILERS, BUSES, AND TRAILERS: No vehicle, boat, truck, bus, or trailer shall be left parked in the street in front of any tract except for construction and repair equipment while construction or repair services are being performed in the immediate vicinity.

Section 18. PROHIBITED ACTIVITIES. No professional business or commercial activity to which the general public is invited shall be conducted on any tract.

ARTICLE V. OWNERS OBLIGATION TO REPAIR

Each Owner shall, at his sole cost and expense, repair and maintain his camping unit, and other structures on his tract, keeping the same in a condition comparable to the condition of such camping unit or structure at the time of its initial construction, excepting only normal wear and tear.

ARTICLE VI. MEMBERSHIP IN ASSOCIATION: VOTING RIGHTS

Every Owner of a tract shall be a member of the Association; membership shall be appurtenant to and may not be separated from ownership of a tract.

For purposes of voting, Developer/Declarant will be construed as an Owner and member with the same voting privileges of one (1) vote per tract owned, and Developer is entitled to one vote for each such tract not sold so long as the Developer retains a financial interest or ownership in this development.

All Owners shall be entitled to one vote for each full tract owned. When more than one person holds an interest in a given tract, all such persons shall be members and the vote for such tract shall be exercised as they may determine among themselves. In no event shall more than one (1) vote be cast with respect to any tract owned by such members.

Declarant, initially shall appoint a three (3) member Board of Directors for the Association, who shall serve until \_\_\_\_\_\_\_\_\_\_. On \_\_\_\_\_\_\_\_\_\_, and the same date of each following year, the members of the Association shall meet for the purpose of electing a Board of Directors for that year as set forth herein.

Such Board of Directors shall have the full powers and duties as may be reasonably necessary to carry out the purpose and duties of the Association as provided herein. The above stated term and election day may vary fifteen (15) day before or after said date at the option of Board.

ARTICLE VII. ASSESSMENTS

Section 1. Declarant hereby covenants for each tract within the project, and each Owner of a tract is hereby deemed covenant by acceptance of his contract of deed for such tract, whether or not it shall be so expressed in his contract or deed, to pay to the Association, (1) annual assessment; and (2) special assessments for capital improvements. Such assessments will be established and collected by the Board as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney’s fees, shall be a charge on the land and a continuing lien on each tract against which such an assessment is made. Each such assessment, together with interest, costs, and reasonable attorney’s fees shall also be the personal obligation of the person of persons who owned the tract at the time the assessment fell due, and such personal obligation shall pass to the successors in title of such person or persons whether or not expressly assumed by them.

Section 2. The annual assessments levied by the Board of the Association shall be used exclusively to promote the health, safety, welfare, and recreation of the residents of the project, and for the construction, improvements and maintenance of the drainage, water supply, irrigation systems, or community facilities on private or county roadway easements within the project.

Section 3. In addition to the annual assessments authorized above, the Association may levy in any assessment year, a special assessment applicable to that year only for the purpose of defraying in whole or in part, the cost of any construction, reconstruction, repair, or replacement of a capital improvement to the project of any designated private roadway, of county roadway within of giving access to project. Any such assessment must be approved by a majority of votes cast by members, in a manner of voting as herein prescribed.

Section 4. The Association’s Board of Directors shall fix the amount of the annual assessment against each tract at least thirty (30) days in advance of the due date thereof and shall fix the date such amounts become due. Assessments may be made payable monthly. Notice of the annual assessments shall be sent to every Owner subject thereto. The Association shall, on demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association, setting forth whether the assessment against a specific tract has been paid, and shall on or before February 15th each year, cause to be recorded in the office of the County Clerk of the County, a list of delinquent assessments as of that date setting forth and establishing the amount of the lien therefor.

Section 5. Any assessment not paid within thirty (30) days after the due date shall be deemed in default and shall bear interest from the due date at the highest legal rate per annum. The Association, acting through its Board of Director, may bring an action of law against the Owner personally obligated to pay the same, and/or may foreclose the lien against the property. No Owner may waive of otherwise escape liability for the assessments provided for herein by non-use of the common areas, community facilities, roadway easements, of abandonment of his tract.

Section 6. The assessment lien provided for herein shall be subordinate to the lien of any first mortgage. A sale of transfer of any tract shall not affect the assessment lien. However, the sale or transfer of any tract pursuant to a mortgage foreclosure or any proceeding approved by the Board in lieu thereof, shall extinguish the assessment lien as to payments which become due prior to such sale or transfer. No sale or transfer shall relieve such tract from liability for any assessment thereafter becoming due or from the lien thereof.

Section 7. Any expenses of suit brought by the Association and/or Declarant herein and any expenses of defense of any suit brought against the Association, its officers, or directors, and/or Declarant in regard to the functions thereof in the administration or enforcement of these covenants shall be borne by the Association and the Association shall have and hold any rights to recovery of such fees.

Section 8. Each Owner in the project agrees that should suit be brought by Declarant and/or the Association to enforce performance of the convenants the suing party will be and is entitled to judgment for damages and all costs of suit, including but not limited to expert witnesses, attorneys, appraisers, surveyors, and court costs, should the motion prevail.

The amount of any such judgment obtained for damages or cost shall become a lien against defendant’s property in this project and subject to the same stipulations and conditions of a lien for assessments.

Section 9. It is specifically stipulated that should Developer, its successors or assigns foreclose on any property sold under deed or contract such property will revert to status of inventory free of the obligation of any accrued and unpaid assessments or costs and/or liens therefor. Any such liens of records will be released by the appropriate officer or officers upon presentation of release thereto by Developer. Upon failure of such action by said authority, of in lieu thereof, Developer may file a release executed on and by its own behalf which will be conclusive evidence to all persons that such lien is thereby releases unless the Association acting within its authority files a proper court action to invalidate said release within thirty (30) days after recordation. Furthermore, see Section 13. Of Article VIII. herein.

ARTICLE VIII. NOTICE OF AUTHORITY FOR ASSESSMENT

Section 1. Each interested party or purchaser of a tract or parcel of ground in this project is hereby made aware of the fact that some or all streets herein are dedicated or will be dedicated to the use of the property Owners herein and are not dedicated to the county, any municipal body or public authority nor to the public. Such purchaser or other interested party is hereby given notice that the maintenance of such streets and county roads where deemed necessary by the Authority, and other designate areas and facilities, called common areas, and the payment for Security Guards and Patrols, if any, garbage pick-up and other conveniences deemed necessary and requisite to the pleasure, an assessment or assessments, as the case may be, to be levied against each and every tract or parcel of land sold therein that will benefit from the use of common areas and common facilities to be maintained by assessment, such determination to be made by the Authority created herein. Determination of pro-rata assessment will be on a tract basis.

Section 2. AGREEMENT: Each purchaser of a property in this project hereby agrees that the Pelican Isle Development, as created and chartered by Developer, existing or to become existing under the laws of the State of Texas has the authority and in consideration of the necessity, of an authority to administer the funds and attend to the management of all common areas, services and facilities in said project does hereby grant and give unto the said Association, its successors and assigns, the authority to levy and collect assessments as necessary, and to expend said funds as necessary, subject to the requirements as hereinafter set forth, for the purpose of the maintenance of all facilities and areas and services as hereinabove described. Until such association is formed this authority is vested in Developer.

Section 3. COMMONS: it is herein stipulated that designated common areas may be used for any purpose required or deemed by the Authority advantageous to the property owners in the project, such purpose to include but not limited to the installation of any or all utilities, and dedication of such assessments and rights of way as deemed necessary by said Authority, such dedications may be made upon a plat thereof or by separate instrument in writing and such dedication may be made at the discretion of the authority at anytime, present or future, or Authority may allow the installation of any main or service extensions lines from main to dwelling or outlets by oral approval. Any such installations made will be considered approved if the Authority has not ordered such installation halted prior to completion hereof.

Section 4. EFFECTIVE DATE OF ASSESSMENTS: Any or all levies for any or all purposes as herein set forth may be made and begun at an appropriate time as will be determined by the Authority. Said action may be made to affect, at different times, any sections or tracts and levies for maintenance of general or specific areas may be made or begun at different dates, and are not required to be made simultaneously.

When such determination is made by the Authority, notice will be given to the Owners of such properties as affected and all said Owners will then be required to pay said assessments to the Authority.

Section 5. HANDLING OF ASSESSED FUNDS: It is specifically herein that all funds collected by the Authority for maintenance and services of commons will be deposited in a special bank account or savings account to be used only for the purpose as herein stated, and an itemized account of all receipts and disbursements will be mailed quarterly to all property owners in said project.

If at any time the Owners of fifty-one percent (51%) or more of the tracts affected by an assessment desire that the fund so established and the books and records pertaining thereto be audited, the said Owners may, by affixing their signatures to a petition cause such audit to be made. Such petition will cite the account by its proper identification and shall stipulate the name of a Certified Public Accountant, who shall make such audit and the date that such records shall be made available to the named Certified Public Accountant, in the offices of the Authority or other place at the discretion of Authority and will be authorized to pay to such Accountant, reasonable accounting fees for said audit from the funds of the account so audited.

Section 6. ESTABLISHMENT OF AMOUNT OF ASSESSMENT: The Authority in initially setting the monthly levy or assessment for any purpose stated herein, will do so on an estimated basis determined by an in-depth study of the requirements of said purposes. Said amount so levied may be changed from time to time as necessary, to pay the allowed expenses as herein set forth or should said assessment prove to be more than needed for such purposes, then, the Authority will reduce said levy accordingly.

Section 7. SPECIAL ASSESSMENTS: The Authority will have the right, privilege and powers to levy special assessments as may become necessary for purposes as required and authorized herein. Such special assessments would be made on the same pro-rata basis as hereinabove set forth and paid to Authority as prescribed by said Authority. Upon the approval of the Owners of fifty-one percent (51%) of the tracts, subject to any special assessment, such special assessments could be made for the purpose of the construction or reconstruction of improvements for the use and benefit of such Owners in the Common Areas.

Section 8. COLLECTION OF ASSESSMENTS: The Authority will have the sole responsibility and authority to collect all assessments. Such assessment will be levied on a monthly basis and Authority will have the power to allow certain reasonable discounts to Owners paying assessments semi-annually of annually in advance. Authority will have the power to add to such assessments appropriate and reasonable penalties against said owners for delinquency in payment of assessments as well as the other remedies set forth herein.

Section 9. DELINQUENT ASSESSMENTS: Any Owner being thirty (30) days delinquent in the payment of any assessment will have filed against his property a lien for such assessment, plus any penalties and costs. Such lien shall remain in effect until all past due assessments, penalties and costs have been paid or satisfied as otherwise set forth herein.

Section 10. ENFORCEMENT OF LIENS: Each lien established by the Authority pursuant to the provisions of this instrument, by recording with the County Clerk of the county, a notice of delinquency and lien upon said property may be foreclosed, as and in the same manner as is provided for the foreclosure of a mortgage upon real property under the laws of the State of Texas, just as though said Authority had retained a vendor’s lien and possessed a Deed of Trust and note against said property. In any action to foreclose any such lien, the Authority shall be entitled to costs, including reasonable attorney’s fees, and other allowed costs and penalties.

Section 11. RESERVATION OF LIENS: The Authority does hereby reserve unto itself, establish and impose, a lien, thereby securing each assessment imposed to be imposed, or in any way provided for herein, together with any costs, interest, or penalties against all the property covered in this instrument subject only to any limitations and/or provisions in this instrument.

Section 12. SUBORDINATION TO MORTGAGE: Each and every assessment and lien, together with any cost, penalties or interest, established, reserved or imposed under this instrument and authority shall be subordinate to any prior valid bonafide mortgage or trust deed (and the lien and/or title thereof) which has been or may hereinafter be given in good faith and for value on any interest of any Owner covered by this instrument and authority. Any subsequent Owner of any property so covered, purchased at foreclosure, shall be bound by restriction, condition, covenants, reservations, assessments and liens set out in this instrument, not including, however, any assessment or lien arising prior to the foreclosure sale.

Section 13. EXCLUSION OF DEVELOPER: The Developer of this project, its successors and assigns, hereinafter called Developer, will sell to purchasers properties within said project. It is specifically stated and agreed that if one or more tracts or parcels of land are sold to any purchaser by Developer, by contract for deed, or deed with lien and note or other instrument, and purchaser defaults in payments of said lien in any manner, such as failure to pay principal, interest, taxes, insurance, or assessments set out hereunder and said property is repossessed, or such contract cancelled by the Developer, or any assignee of Developer’s right title and interest in any such lien or contract, then Developer or said assignee, will not be required to pay to the Authority any delinquent or past due assessments or penalties and any liens for non-payment of same filed by said Authority will be released as regards to such property, evidence of such cancellation, repossession or foreclosure will, in itself be sufficient with no further release or action required by the Authority for this purpose; however, this stipulation does not by any means, relieve the purchaser in default who failed to pay such assessments levied and/or penalties and cost, and from whom said property was repossessed, of his personal liability to pay such delinquent funds, though such delinquency will not be attached to such property as a lien in this instance.

Section 14. RULES AND REGULATION GOVERNING USE OF COMMONS AND FACILITIES THEREIN: Rules and regulations governing the use of all commons and facilities will be made and enforced by the Authority, to insure the best and mutual enjoyment thereof of all the qualified property owners and their guest.

Any owner who fails to pay assessments levied or fails to comply with any requirements or rules and regulations governing the use of said commons and facilities, will be denied the use thereof. Such rules and regulations to be made and enforced by the Authority will include, but not limited to, rules concerning guest privileges to commons, recreation facilities, if any, speed limits on streets, type of vehicles on streets and other commons, control of noise.

Section 15. DELEGATION OF USE OF FACILITIES: Any Owner may delegate his right of enjoyment to the common areas and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

Section 16. MAINTENANCE OF TRACTS: The Owner of a tract of tracts in the project will be required to keep said property free of underbrush, woods, tall grass, or any other unsightly growth of accumulation of trash, garbage, or unsightly deposits of any nature or kind from the date of purchase of said tract. This requirement is effective on occupied and unoccupied tracts. Ten days after notice to Owner of such a situation existing, the Authority hereinabove created or its employees will have the right and authority to enter upon said premises and correct existing violation of the requirements so stated. Such Authority will charge said Owner a reasonable fee for such work accomplished and bill said Owner for said fee plus a reasonable service charge per month, for each instance, until Owner pays Austhority in full as billed. All monies so owed the Authority will become a special assessment against the property owner.

Section 17. EXTERIOR MAINTENANCE OF BUILDINGS: In the event the owner of any building in the project should allow such building to fall into disrepair and become in need of paint, repair, or restoration of any nature and become unattractive and not in keeping with the neighborhood, the Authority as herein established will give each owner written notice of such conditions. Fifteen (15) days after notice of such conditions to owner, and failure of owner to begin and continue at a reasonable rate of progress to correct said situation. The owner thereof shall be billed for cost plus ten percent (10%). All monies so owed the Authority will become a special assessment against the property owner.

Section 18. The authority herein created is empowered to contract with a utility company for the Owner of each tract or dwelling in this project to pay the amount of $1.00 (one dollar) to be paid in cash or added to such owner’s electric bill each month, as a contribution toward payment for the operation and maintenance of street lighting in this project. This fee may be adjusted up or down within reason in accord with the rates of the utility company. Authority may include funds for street lights in the general assessment.

Section 19. NOTICE: In all instances herein where notice is required, notice will have been given upon placing in the United States Mail, said notice to the last known address of such person or party to whom the notice is to be given.

Section 20. It is specifically agreed by each purchaser and stipulated herein that the Developerer, its successors, and assigns will have the right of use of all commons, such use will be allowedfor the purpose of promotion and sale of property by said Developer and will include the right of Developer to issue passes and permits to guests or prospective purchasers of property and Developer’s employees to use and enjoy for limited periods, such as commons, facilities, and services. This right is reserved unto the Developer, its successors, and assigns no long as said Developer owns land in the project and is marketing same.

Section 21. It is fully understood that Developer is subjected to the same payments per tract owed to the Authority created herein as is any other tract Owner. However, it is fully understood that Developer may pay in advance any amount of funds in the form of improvements, maintenance, repairs, and property donation at marked value, and will receive full credit for such contributions and advances, plus interest at twelve percent (12%) per annus on such fundsadvanced against assessments. Each year the Authority will charge against such advances and interest any assessments accrued against Developer’ tracts, carrying forward any credit balance to the next and ensuing years. Should Developer have a credit balance remaining after sell out, such credit balance will not be a charge to the Association, but will, in fact, be written off by the Developer.

ARTICLE IX. UTILITY STANDBY CHARGES

Section 1. Should the requirement for utility standby charges become necessary to the installation of any utility or service, the Association shall have the right to establish such standby charges and in such case there shall be levied against every individual tract, severally, a standby charge not to exceed the exact cost per month. Such charge shall be fixed from time to time by the Board of Directors of the Association, which charge shall be due and payable in monthly installments in advance, or as otherwise required; and the payment of such standby charge or charges shall be and is secured by a lien as hereby created. The Association does hereby reserve unto itself, its successors, and assigns and establish and impose a lien, thereby securing the assessment as herein set forth for the prescribed utility standby charges.

Section 2. This lien so established, may be foreclosed upon after notice of delinquency to the Owner of any tract, as and in the same manner as is provided for the foreclosure of a mortgage upon real property under the laws of the State of Texas, just as though the Association had retained a vendor’s lien and possessed a deed of trust and note against said tracts.

Section 3. It is specifically stated herein that all property held by the Developer, it successors, and assigns for sale or resale within this project is hereby totally exempt from and all of the requirements of this Article and no lien shall become effective on any property herein until said property is sold to a bonafide purchaser by contract or deed.

Section 4. The Association may assign or pledge to any utility this right of assessment and security for standby charges.

ARTICLE X. LAW ENFORCEMENT AND STREET RIGHTS

Section 1. TRAFFIC LAW: Not withstanding the fact that all or some roads and streets in this project are or may be dedicated not unto the public, but only to the property owners in the project, as easements, it is hereby stipulated that the Commissioners Court will have the full authority to establish speed limits, enter traffic laws and rules, and penalties for violation thereof upon streets of this project, and the law enforcement officers of the County or of the State of Texas of any other official body having such authority, may enter upon this project to enforce the speed limits as set by the County Commissioners Court or other entity or authority, just as though said roadways were public.

Section 2. PUBLIC LAW: Not withstanding the fact that commons in the project are private and dedicated only unto the property owners within the project, it is hereby stipulated that any law enforcement officer, County, State, or Federal is hereby authorized to enter upon the premises of the project for all purposes just as though the project commons were dedicated unto the public, and every law enforcement officer will have the same rights, privileges and duties within the boundaries of this project as he would in any subdivision whereby the streets and other commons and facilities were dedicated to the public.

Section 3. RIGHT OF ROAD DEDICATION: Not withstanding the fact that all of some roads within this project are or may be dedicated to the property owners and are not public roads and are not dedicated to the county or any other body politic, it is hereby stipulated that after five (5) years from date should the Owners of fifty-one percent (51%) of the total tracts in the project so desire and execute a petition to the County Commissioners Court, petitioning such court to accept said roads as County roadways and open unto the public and shall be maintained by the County and such roads shall cease to be private roadways. For the purpose of this section, any common, drive, access easement or private road in portion or in total may be considered as raods of established for vehicular traffic.

ARTICLE XI. GENERAL PROVISIONS

Section 1. ENFORCEMENT OF RESTRICTIONS: Declarant, the Association, Navarro County Planning and Zoning, Tarrant County W.C. and I.D. #1 or any Owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, easements, reservations, liens, and charges now or hereafter imposed by the provisions of this declaration. Failure by Declarant, the Association, or by any Owner to enforce any covenant, or restriction herein contained shall in no event be deemed a waiver of the rights to do so thereafter.

Section 2. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

Section 3. Covenants and restrictions of the declaration may be amended by duly recording an instrument executed and acknowledged as approved by the Board, by not less than seventy-five percent (75%) or the votes cast by members on the basis of one vote per tract owned.

Section 4. No breach of any of the conditions herein contained or re-entry by reason of such breach shall defeat or render invalid the lien of any mortgage made in good faith and for value as to the project or any tract therein; provided, however, that such conditions shall be binding on any Owner whose title is acquired by foreclosure, trustee’s sale, or otherwise.

Section 5. The covenants and restrictions of this declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association or any member thereof for a period of twenty-five (25) years from the date hereof, and thereafter shall continue automatically in effect for additional periods of ten (10) years, unless otherwise agreed to in writing by the then Owners of at least seventy-five percent (75%) of the tracts based upon one vote for each tract owned.

Section 6. Declarant shall have the right during the term o fthe continuation of this agreement to add to the real property within the project any contiguous tracts and the Owners of the tracts within such added portion shall become members of this Association on the same terms and conditions and subject to the same restrictions as apply to Owners or tracts within the original project.

WITNESS THE EXECUTION hereof on this \_\_2\_\_\_ day of Aug\_\_, 1990.

 FIRST AMERICAN LAND INC.

 By: /s/ D. L. Apostolo, President

State of Texas

County of Navarro

 This instrument was acknowledged before me this 2nd day of August, 1990 by D.L. Apostolo, President of First American Land Inc., a Texas Corporation, on behalf of said corporation.

 /s/ Kelly Capehart, Notary Public, State of Texas

 Comm. Exp. 07-23-94

I, JAMES F. DOOLEN, Clerk of County Court in and for Navarro County, Texas, do hereby certify that this Instrument was FILED AND RECORDED at 2 o’clock P M, 8-2 1990, in volume 1206 page 453 of the Records of Navarro County.