

# *Welcome to Our Community*



**Recreational Lake with Dock & Boat Ramp**  
**Angler's Cove 1st Class Fishing Lake**  
**Parks, Playground, & Picnic Facilities**  
**RV Park & Storage**  
**Swimming Pool**  
**Clubhouse**  
**Pavilion**



DECLARATION OF COVENANTS,  
CONDITIONS AND RESTRICTIONS  
FOR MOUNTAIN LAKES  
SECTION FOUR, PHASE TWO

STATE OF TEXAS

\*

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF ERATH

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BLUEGREEN SOUTHWEST ONE, L.P. formerly known as PROPERTIES OF THE SOUTHWEST, L.P., a Delaware partnership, duly authorized to do business in the State of Texas, acting through its General Partner, BLUEGREEN SOUTHWEST LAND, INC., a Delaware Corporation, authorized to do business in the State of Texas (hereinafter referred to as the 'Developer').

W I T N E S S E T H:

WHEREAS, Developer is the owner of that certain tract of land known as MOUNTAIN LAKES SECTION FOUR, PHASE I consisting of 353.97 Acres of land situated in Erath County, Texas, with the plat ("Plat") of MOUNTAIN LAKES SECTION FOUR, PHASE TWO recorded in Cabinet A Slide 364 of the Plat Records in the office of the County Clerk of Erath County, Texas on the 14<sup>th</sup> day of May, 2003 after having been approved as provided by law, and

WHEREAS, it is the desire of Developer to place certain restrictions, easements, covenants, conditions, stipulations and reservations upon and against such MOUNTAIN LAKES SECTION FOUR, PHASE Two in order to establish a uniform plan for it's development, improvement and sale, and to insure the preservation of such uniform plan for the benefit of both the present and future owners of Tracts in MOUNTAIN LAKES SECTION FOUR, PHASE TWO; and

WHEREAS, Developer reserves and retains unto itself, the right, as it, in its sole discretion, shall determine, to (i) add to or delete areas from the Subdivision (defined in Section 1.20 hereafter); and, (ii) hereafter place and impose such restrictions, easements, covenants, conditions, stipulations and reservations on any and all remaining unrestricted Properties, or portions thereof, in the Subdivision, in order to establish any plan chosen by Developer for the development, improvement and sale thereof.

NOW, THEREFORE, Developer hereby declares that the Property (as defined in Section 1 .23), also referred to as MOUNTAIN LAKES SECTION FOUR, PHASE TWO, shall be held, sold, used and conveyed subject to the following Declaration of Covenants, Conditions and Restrictions for Mountain Lake Section Four, Phase TWO (hereinafter referred to as the "Declaration"), all of which are for the purposes of enhancing and protecting the value, desirability and attractiveness of said Property, which Declaration shall run with the title to the Property, or any part thereof, and shall be binding upon all parties having any right, title or interest in any portion of the Property, their heirs, successors, successors-in-title and assigns, and shall inure to the benefit of each owner of any portion of the Property. Developer also declares that MOUNTAIN LAKES SECTION FOUR, PHASE TWO shall be subject to the jurisdiction of the "Association" (as hereinafter defined).

ARTICLE I  
DEFINITIONS

**Section 1.01 "ACC"** Shall mean and refer to the Architectural Control Committee, as described in Article IV.

**Section 1.02 "Accessory Building"** shall mean and refer to a subordinate building attached to or detached from the Dwelling (as hereinafter defined).

**Section 1.03 "Act"** The Texas Residential Property Owners Protection Act, Title 11, Chapter 209 of the Texas Property Code, as may be amended.

**Section 1.04 "Annexable Area"** shall mean and refer, without limitation, to any property adjacent to or in the proximity of the Subdivision.

**Section 1.05 "Annexed Area"** shall mean and refer to any additional property made subject to the jurisdiction of the Association pursuant to the provisions set forth herein.

**Section 1.06 "Association"** shall mean and refer to the Mountain Lakes Property Owners Association, a Texas nonprofit corporation, its successors and assigns.

**Section 1.07 "Board of Directors" or "Board"** shall mean and refer to the Board of Directors of the Association.

**Section 1.08 "Boat Dock" or "Pier"** shall refer to any structure extending into the Lake where boats are docked.

**Section 1.09 "Builders"** shall mean and refer to persons or entities that purchase tracts and build speculative or custom homes thereon for third party purchasers.

**Section 1.10 "Common Area"** shall mean all real property (including the improvements thereto) within the Subdivision owned by the Developer and/or the Association for the common use and enjoyment of the Owners.

**Section 1.11 "Contractor"** shall mean and refer to the person or entity with which an Owner contracts to construct a residential dwelling on such Owner's Tract.

**Section 1.12 "Developer"** shall mean and refer to Bluegreen Southwest One, L.P. and its successors and assigns.

**Section 1.13 "Dwelling"** shall mean and refer to a building having accommodations for and occupied by not more than one family.

**Section 1.14 "Front Line"** shall mean and refer to any boundary line of a Tract which is adjacent to a public road and the front of the proposed improvements face.

**Section 1.15 "Garage"** shall mean and refer to an Accessory Building or a portion of a Dwelling in which motor-driven vehicles are stored.

**Section 1.16 "Guest House"** shall mean and refer to detached living quarters located upon any Tract in the Subdivision.

**Section 1.17 "Height"** shall mean and refer to the measurement from the building line or highest point on the lot, which ever is greater, to the highest point of the Improvement being measured.

**Section 1.18 "Lake" or "Lakes"** shall mean and refer to the proposed body of water covering approximately 100 acres designed as Restricted Reserve 2 and approximately 40 acres designed as Restricted Reserve 7 in the Subdivision. All owners of Tracts within any Section of Mountain Lakes may use said water area of the Lake as a Common Area, subject to the rules and regulations imposed for such use. Other areas in Section Four, Phase Two which are considered Lakes consist of approximately 8 acres designated as Reserve 10, approximately 4 acres designated as Reserve 11, and approximately 6 acres

designated as Reserve 12. Only owners of Tracts adjacent to Reserve 10, Reserve 11, and Reserve 12 and the drainage easement area adjacent to Reserve 10, Reserve 11, and Reserve 12 have access to said Reserves.

**Section 1.19 "Lakefront Tract"** shall mean and refer to Tracts adjoining any portion of Restricted Reserve 2, Restricted Reserve 7, Reserve 10, Reserve 11, and Reserve 12 of the subdivision.

**Section 1.20 "Mountain Lakes Subdivision" or "Subdivision"** shall mean and refer to all sections of Mountain Lakes hereafter made subject to jurisdiction of the Association.

**Section 1.21 "Owner"** shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any Tract which is a part of the Subdivision. The term "Owner" shall include (i) contract sellers (a seller under a Contract-for-Deed), but excluding those having such interest merely a security for the performance of an obligation, (ii) Developer (except as otherwise provided herein), and (iii) Builders. If a Tract is owned by more than one (1) person, all such persons shall be jointly and severally obligated to perform the responsibilities of such Owner.

**Section 1.22 "Plat"** shall collectively mean and refer to the Final Plat of Mountain Lakes Section Four, Phase Two, an addition to Erath County, Texas, recorded in Cabinet A, Slide 364 of the Plat Records in the office of the County Clerk of Erath County, Texas.

**Section 1.23 "Property"** shall mean and refer to the real property shown on the Plat and subject to this Declaration.

**Section 1.24 "Rear Line"** shall mean the opposite of Front Line.

**Section 1.25 "Recreational Vehicle" or "Motor Home"** shall mean and refer to a vehicle designed for recreational use, professionally made, (not including converted school buses or homemade trailers).

**Section 1.26 "Side Line"** shall mean and refer to any boundary line of a Tract which is not a Front Line or Rear Line.

**Section 1.27 "Street"** shall mean and refer to the roadways dedicated by the Developer to Erath County, Texas, by the Plat and accepted by Erath County, Texas as public streets and roadways.

**Section 1.28 "Tract"** shall mean and refer to any plot of land identified as a tract or homesite on the Plat. For purposes of this instrument, Tract' shall not be deemed to include any portion of the "Common Area" or "Unrestricted Reserves" (defined herein as any Common Area and Unrestricted Reserves shown on the Plat) in the Subdivision, regardless of the use made of such area.

## **ARTICLE II RESERVATIONS, EXCEPTION AND DEDICATIONS**

**Section 2.01 Recorded Subdivision Map of the Property.** The Plat dedicates for use as such, subject to the limitations as set forth therein, the roads, streets and easements shown thereon. The Plat further establishes certain restrictions applicable to the Property. All dedications, restrictions and reservations created herein or shown on the Plat, replats or amendments of the Plat recorded or hereafter recorded shall be construed as being included in each contract, deed, or conveyance executed or to be executed by or on behalf of Developer, whether specifically referred to therein or not.

**Section 2.02 Utility Easements.** Developer reserves for public use the utility easements shown on the Plat or that have been or hereafter may be created by separate instrument



recorded in the Real Property Records of Erath County, Texas, for the purpose of constructing, maintaining and repairing a system or systems of electric lighting, electric power, telegraph and telephone line or lines, cable television, or any other utility the Developer sees fit to install in, across and/or under such utility easements. Should any utility company furnishing a service covered by any easement in these restrictions provided for, request a specific easement by separate recordable document, Developer, without the joinder of any other Owner, shall have the right to grant such easement along and within the setback line of any Tract without conflicting with the terms hereof. Any utility company serving the Subdivision shall have the right to enter upon any utility easement for the purpose of installation, repair and maintenance of their respective facilities. Neither Developer nor any utility company, political subdivision or other authorized entity using the easements herein referred to shall be liable for any damages done by them or their assigns, agents, employees, or servants, to fences, shrubbery, trees and lawns or any other property of the Owner on the property covered by said easements.

(a) Utility ground and aerial easements have been dedicated in accordance with the Plat and by separate recorded easement documents.

(b) No building shall be located over, under, upon or across any portion of any utility easement. The Owner of each Tract shall have the right to construct, (and maintain concrete drives, fences, and similar improvements across any utility easement, and shall be entitled to cross such easements at all times for purposes of gaining access to and from such Tracts, provided, however, any concrete drive, fence or similar improvement placed upon such Utility Easement by the Owner shall be constructed, maintained and used at Owner's risk and, as such, the Owner of each Tract subject to said Utility Easements shall be responsible for (I) any and all repairs to the concrete drives, fences and similar improvements which cross or are located upon such Utility Easements and (ii) repairing any damage to said improvements caused by any public utility in the course of installing, operating, maintaining, repairing, or removing its facilities located within the Utility Easements.

**Section 2.03 Drainage Easements.** Developer reserves for public use, drainage easement shown on the plat or that have been or hereafter may be created by separate instrument recorded in Real Property Records of Erath County, Texas, for the purpose of constructing, maintaining or repairing to insure proper storm drainage for the benefit of Mountain Lakes. All dedicated utility easements may be used for the construction of drainage swales in order to provide for improved surface drainage of the Reserves, Common Area, Tracts and roadways. No Owner of any Lot in the subdivision may perform or cause to be performed any act which would alter or change the course of such drainage easements in a manner that would divert, increase, accelerate or impede the natural flow of water over and across such easements, including the construction of ponds and dams.

**Section 2.04 Title Subject to Easements.** It is expressly agreed and understood that the title conveyed by developer to any of the Tracts by contract for deed or other conveyance shall be subject to any easement affecting same for roadways or drainage, electric lighting, electric power, telegraph or telephone purposes and other easements hereafter granted affecting the Tracts. The Owners of the respective Tracts shall not be deemed to own pipes, wires, conduits or other service lines running through their Tracts which are utilized for or service other Tracts. The Developer may convey title to said easements to the public, a public utility company or the Association.

**Section 2.05 Flowage Easement.** A flowage easement on, over and across that portion of the Lakefront Tracts adjacent to Restricted Reserve 2 in the Subdivision situated below the elevation of 940 feet mean sea level (msl) and Tracts adjacent to Restricted Reserve 7 situated below the elevation of 985 feet mean sea level (msl) are hereby reserved for the Developer and, upon the Transfer Control Date, the Association, for the following purposes:

- (a) The right to overflow, flood or cover such portion of the Lakefront Tracts in the Subdivision lying in the flowage easement, with flood water, slack water or back water caused by the construction, maintenance and operation of the dam for the Lake and the reservoir for the storage of water created by the construction of the Lake.
- (b) The right to enter upon said Lakefront Tracts at anytime or times hereafter and do whatever is reasonably necessary in the sole discretion of the Developer and/or the Association to maintain and operate such Lake and to prevent the draining or dumping of refuse, sewage or other material into such reservoir.

**Section 2.06 Restricted Reserves.** The areas designated as Restricted Reserves on the Plat are Common Areas to be used by all Owners in any Section of Mountain Lakes Subdivision, together with their invitees and guests for recreational and outdoor activities. Provided, however, the use of Restricted Reserves 2 and 7 shall be subject to the exclusive and perpetual easement granted to owners of tracts adjoining said Restrictive Reserves as provided in Section 3.03. The use of all Restricted Reserves shall be regulated by the Developer, its successors or assigns through written rules and regulations.

### **ARTICLE III USE RESTRICTIONS**

**Section 3.01 Single Family Residential Construction.** No building shall be erected, altered, placed or permitted to remain on any Tract other than one (1) Dwelling per each Tract to be used for single family residential purposes. Detached Garages, work shops and other Accessory Buildings may be constructed on the Tract prior to the time the main Dwelling is being built so long as they are of good construction, kept in good repair and are not used for residential purposes. Notwithstanding the above, all Dwellings, detached Garages, work shops and Accessory Buildings must be approved in writing by the ACC prior to being erected, altered or placed on the Tract. The term "Dwelling" does not include single or double wide or other manufactured homes, and said manufactured homes are not permitted within the Subdivision. All Dwellings must have at least one thousand four hundred (1400) square feet of living area, excluding porches, and a minimum of a one (1) car garage. Carports are allowed so long as the carport is attached to and connected with the Dwelling with its roof being an extension of the roof of the Dwelling. All improvements, with the exception of workshops on Tracts three (3) acres or larger, must be built with new construction materials with exterior walls being eighty percent (80%) masonry, glass or natural wood (i.e. no aluminum, asbestos siding, vinyl siding, plywood siding, or masonite siding). Cement fiber siding is considered masonry. Storage buildings may also be built and placed on the Tract as long as they are at least one hundred fifty feet (150') from the Front Line and are approved by the ACC. Storage buildings placed on Tracts 680-707 and 909-927, inclusive (the "Water Front Tracts"), must also be fifty feet (50') from the nine hundred forty foot (940') elevation as shown on the Plat. All Guest houses must have a minimum of five hundred (500) square feet of living area, excluding porches. All Guest houses must be built simultaneously as the main Dwelling or after construction of the main Dwelling, kept in good condition and must be of similar exterior construction as the main Dwelling. Any building, structure or improvement commenced on any Tract shall be completed as to exterior finish and appearance within six (6) months from the commencement date. As used herein, the term "single family residential purposes" shall be construed to prohibit manufactured housing, mobile homes or trailers being placed on said Tracts, or the use of said Tracts for duplex houses, condominiums, townhouses, or apartment houses. All Tracts shall be for single family residential purposes and all homes must be site constructed.

**Section 3.02 Composite Building Site.** Any Owner of one or more adjoining Tracts (or portions thereof) may, with the prior written approval of the ACC and Erath County consolidate such Tracts or portions into one building site (hereinafter referred to as a "Composite Building Site"), with the privilege of placing or constructing improvements on such resulting site, in which case the side set-back lines shall be measured from the resulting side property lines rather than from the Tract lines as indicated to the Plat.

**Section 3.03 Docks/Piers.** Tracts adjacent to the proposed lakes may construct a boat dock into the water from the owners Tract. All plans for the construction of boat docks must be approved in writing by the ACC prior to construction. Boat docks are limited to 48 square feet not including the walkway if less than four feet in width and shall not extend further than 30 feet into the waterway.

per linear foot of shoreline owned, not including the walkway if less than four feet in width. Owners of tracts adjoining the proposed lakes are hereby granted a perpetual exclusive easement from that owner's lot line to the water line, as the same shall ebb and flow at any given time. The Association reserves the right of ingress and egress over and across this easement for the sole purpose of maintaining and/or repairing the lake or lakebed, including the easement area.

**Section 3.04 Easements and Building Setbacks.** A thirty foot (30') setback exists from all Front Lines. A five foot (5') setback requirement for all buildings exists inside the Side Lines of Tracts three (3) acres or less; on Tracts greater than three (3) acres, a ten foot (10') setback exists inside the Side Lines of the Tracts. A twenty foot (20') setback exists inside all Rear Lines, except along Reserve 10, 11 and 12. All Rear Line building setbacks along all Tracts adjacent to Reserve 10, shall be fifty feet (50') from the nine hundred thirty foot (930') elevation as shown on the Plat. All Rear Line building setbacks along all Tracts adjacent to Reserve 11 shall be fifty feet (50') from the nine hundred forty foot (940') elevation as shown on the plat. All Rear Line building setbacks along all Tracts adjacent to Reserve 12 shall be fifty feet (50') from the nine hundred fifty foot (950') elevation as shown on the plat. A significant area at the rear or other portion of each of the Water Front Tracts adjacent to the proposed lake is affected by possible water coverage. Finished floor elevations for permanent structures on the Water Front Tracts may not be constructed below the reserve water level elevation as shown on the Plat.

**Section 3.05 Use of Temporary Structures.** No structure of a temporary character, whether trailer, basement, tent, shack, garage, barn or other accessory building shall be maintained or used on any Tract at any time as a residence, either temporarily or permanently; provided, however, that Developer reserves the exclusive right to erect, place and maintain such facilities in or upon any property in the Subdivision that it owns as in its sole discretion may be necessary or convenient while selling Tracts, selling or constructing residences and constructing other improvements within the Subdivision. However, owners may locate motor homes, travel trailers, and tents on their tracts within set back lines temporarily, not to exceed seven (7) consecutive days in any calendar month or up to 6 months while residence is being constructed. Motor Homes and travel trailers remaining on the Tract beyond the set time restriction are subject to removal by the Property Owners Association. On water front Tracts, (593-614 inclusive) boats, RV's and travel trailers must be 50 feet from the natural shore line or the 940 elevation and on waterfront tracts (303-324, 345-358, 375-397, 429-438) boats, RV's and travel trailers must be 50 feet from the natural shore line or the 985 elevation. Developer, or any member of the ACC shall have the right, which Owners hereby gives Developer or such ACC member(s), to enter upon the Owner(s) Tract and to remove any such temporary structure which is placed on any Tract in violation of these restrictions, and in doing so, Owner agrees neither Developer nor such member(s) shall be liable, and each is hereby expressly relieved from any liability for trespass or other tort in connection therewith, or

arising from such removal. No trash shall be left on Tract. No clothes lines, hanging of clothing, towels, etc. will be permitted. During a non "burn ban", camp fires are allowed but must be contained within a steel camp fire ring and not left unattended.

**Section 3.06 Walls and Fences.** Walls and fences, if any, must be approved by the ACC prior to construction and shall be no closer to the Front Line than the front line of the house on Tracts less than three (3) acres. Tracts three (3) acres or greater are permitted to fence along the Front Line, however fences fronting roadways must be approved by the ACC, no barbed wired is allowed. A maximum Height of any fence shall not exceed ten feet (10').

**Section 3.07 Prohibition of Offensive Activities.** No Activity, whether for profit or not, shall be conducted on any tract which is not related to single family residential purposes, unless said activity meets the following criteria: (a) no additional exterior sign of activity is present, (b) it is the type of action that usually happens in a home, (c) no additional traffic, that would not be there normally, is created, (d) the entity or activity maintains an office or place of business elsewhere, and (e) no hazardous or dangerous materials may be stored in bulk on the Tract. This restriction is waived in regard to the customary sales activities required to sell Tracts or homes in the Subdivision. The discharge or use of firearms is expressly prohibited. The Association shall have the sole and absolute discretion to determine what constitutes a nuisance or annoyance.

**Section 3.08 Garbage and Trash Disposal.** Garbage and trash or other debris accumulated in this Subdivision shall not be permitted to be dumped at any place within this Subdivision or that may be created. No Tract shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall be kept in sanitary containers and shall be disposed of regularly. All equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition.

**Section 3.09 Junked Motor Vehicles Prohibited.** No Tract shall be used as a depository for abandoned or junked motor vehicles. No junk of any kind or character, or dilapidated structure or building of any kind or character, shall be kept on any Tract. Boats, RV's and travel trailers may be stored on Tracts after the residence is constructed, however, they must be stored in the side or back yard and must be parked no closer than the front line of the house to the street and must be within all building set back lines.

**Section 3.10 Signs.** No signs, advertisement, billboards or advertising structure of any kind may be erected or maintained on any Tract without the consent in writing of the Architectural Control Committee and/or Developer except one (1) standard sign adopted by the Developer and Association not more than twenty-four inches by thirty-six inches, advertising an Owner's Tract for sale or rent. During construction of the home or accessory building, Contractors or Builders are permitted to have one (1) professionally made sign, not more than thirty-six inches wide by thirty-six inches long for advertising purposes, but shall be required to remove said sign upon completion of contracted construction. All other signs are prohibited. Developer, or any member of such Committee shall have the right, which Owners hereby gives Developer or such committee member(s), to enter upon the Owner(s) Tract and to remove any such sign, advertisement or billboard or structure which is placed on any Tract in violation of these restrictions, and in doing so, Owner agrees neither Developer nor such member(s) shall be liable, and each is hereby expressly relieved from any liability for trespass or other tort in connection therewith, or arising from such removal. Notwithstanding the foregoing, this provision shall not apply to entry, directional, or other signs installed by the Developer or its duly authorized agent as may be necessary or convenient for the marketing and development of the Property, including, without limitation, "for sale" signs installed by Developer.



**Section 3.11 Animal Husbandry.** No hogs, pigs or poultry of any kind shall be raised, bred or kept on any Tracts. On Tracts five (5) acres or greater, Owners shall be limited to one (1) horse, cow, goat or other large animal per acre, only if property is fenced with fencing capable of containing such animals. Dogs, cats, or other common household pets may be kept on a Tract. There shall be no more than four (4) adult dogs per household. Dogs must be kept in a kennel, dog run, or fenced in area that confines said dog(s) to that area. Dogs will not be permitted to run loose in the subdivision and must be vaccinated for rabies according to State law once a year and registered with Erath County once a year.

**Section 3.12 Mineral Development.** No commercial oil drilling, oil development operations, oil refining, quarrying or mining operation of any kind shall be permitted. No derrick or other structures designed for the use of boring for oil or natural gas shall be erected, maintained or permitted upon any Tract.

**Section 3.13 Drainage.** Natural established drainage patterns of streets, Tracts or roadway ditches will not be impaired by any person or persons. Driveway culverts must be installed and will be of sufficient size to afford proper drainage of ditches without backing water up into ditch or diverting flow. Drainage culvert installation is subject to the inspection and approval of Erath County and must be installed prior to any construction on the Tract. All natural drain patterns must remain opened and must not be blocked by ponds or dams.

**Section 3.14 Duty of Maintenance.** Owners and occupants (including lessees) of any Tract shall jointly and severally have the duty and responsibility, at their sole cost and expense, to keep that Tract so owned or occupied, including improvements and grounds in connection therewith, in a well-maintained, safe, clean and attractive condition at all times. Such maintenance includes, but is not limited to the following:

- (a) Prompt removal of all litter, trash, refuse and wastes
- (b) Keeping lawn and garden areas alive, free of weeds and attractive
- (c) Keeping driveways in good repair
- (d) Complying with all government health and policy requirements
- (e) Repair of exterior damage to improvements

**Section 3.15 Approved Watercraft.** All watercraft must meet Texas Registration requirements and be registered with the Property Owners Association. Watercraft are prohibited on Reserve 10, Reserve 11, and Reserve 12 in Section Four, Phase Two in the Subdivision.

**Section 3.16 Enforcement.** If, in the opinion of the Board of Directors or the ACC any such Owner or occupant (including lessees) has failed to comply with any of the foregoing restrictions or has failed in any of the foregoing duties or responsibilities, then the ACC or the Directors shall deliver to such Owner or occupant (including lessees) written notice of such failure in accordance with the notice and hearing procedures set forth in the By-laws and such Owner or occupant (including lessees) must within the time period set forth in the notice, comply with the restrictions and/or perform the care and maintenance required. Should any such Owner or occupant (including lessees) fail to fulfill this duty and responsibility within such period, then the ACC, or the Directors, or their designated agents are hereby authorized to enter onto the premises and correct such

violations and perform such care and maintenance as necessary, at the expense of the Owner, without any liability for damages or for wrongful entry, trespass or otherwise, to the Owner, contractor, Builder, occupant or any other person found on the Tract. The Owners and occupants (including lessees) of any Tract on which such work is performed shall promptly reimburse the ACC or the Association for such cost. If such Owner or occupant (including lessees) shall fail to reimburse the Developer, the ACC or the Association within 30 Days from and after delivery by the Association of an invoice setting forth the costs incurred by the association for such work, then said indebtedness shall be a debt of the Owner and occupant (including lessees) jointly and severally and may be secured by the Association by placing a lien on the offending Owner's or occupant's Tract.

## **ARTICLE IV ARCHITECTURAL CONTROL COMMITTEE**

### **Section 4.01 Basic Control.**

(a) No building or other improvements of any character shall be erected or placed, or the erection or placing thereof commenced or changes made in the design or exterior appearance thereof (excluding, without limitation, painting, staining or siding), or any addition or exterior alteration made thereto after original construction, or demolition or destruction by voluntary action made thereto after original construction, on any Tract in the Subdivision until the obtaining of the necessary approval (as hereinafter provided) from the Developer, until the establishment of the ACC as hereafter provided, and thereafter the ACC, and Erath County (if required by law, rule or other regulation) of the construction plans and specifications for the construction or alteration of such improvements or demolition or destruction of existing improvements by voluntary action.

(b) Each application made to the ACC, or to the Developer under Section 4.02 below accompanied by three sets of plans and specifications for all proposed construction (initial or alteration) to be done on such Tract, including plot plans showing location on the tract. Upon receipt, the ACC shall forward one set of the plans and specifications to the Developer.

### **Section 4.02 Architectural Control Committee.**

(a) The authority to grant or withhold architectural control approval as referred to above is initially vested in the Developer; provided, however, the authority of the Developer shall cease and terminate upon establishment of the Architectural Control Committee of the Association in which event such authority shall be vested in and exercised by the ACC (as provided in (c) below), except as to plans and specifications and plot plans theretofore submitted to the Developer which shall continue to exercise such authority over all such plans, specifications and plot plans. The term "ACC", as used in this Declaration, shall mean or refer to the Developer or to the Mountain Lakes Architectural Control Committee composed of Members of the Association, as applicable.

(b) Developer shall select and appoint three Owners to serve as the ACC. These three shall also serve as the initial Board of Directors. These three Owners shall serve in both positions until a new ACC and a new Board of Directors are elected at the next succeeding annual meeting following the Control Transfer Date (as defined in Section 4.02(c) below). Only the initial Board of Directors must be the same people who serve as the ACC.

(c) At such time as Ninety-Five percent (95%) of all of the Tracts of the Subdivision are conveyed by Developer (from time to time hereafter referred to as the "Control Transfer Date") the Developer shall cause an instrument transferring control to the

Association to be placed of record in the Real Property Records of Erath County, Texas (which instrument shall include the Control Transfer Date). From and after the Control Transfer Date, each member of the ACC must be an Owner of a Tract in Mountain Lakes Subdivision. The Developer shall have the right to discontinue the exercise of architectural control privileges and arrange for the transfer to the Association at any time prior to the Control Transfer Date by filing a statement and instrument to such effect in the Real Property Records of Erath County, Texas.

**Section 4.03 Effect of Inaction.** Approval or disapproval as to architectural control matters as set forth in the preceding provisions of this Declaration shall be in writing. In the event that the authority exercising the prerogative of approval or disapproval (whether the Developer or the (ACC) fails to approve or disapprove in writing any plans and specifications and plot plans received by it in compliance with the preceding provisions within thirty (30) days following such submissions, such plans and specifications and plot plan shall be deemed approved and the construction of any such building and other improvements may be commenced and proceeded with in compliance with all such plans and specifications and plot plan and all of the other terms and provisions hereof.

**Section 4.04 Effect of Approval.** The granting of the aforesaid approval (whether in writing or by lapse of time) shall constitute only an expression of opinion by the ACC that the terms and provisions hereof shall be complied with if the building and/or other improvements are erected in accordance with said plans and specifications and plot plan; and such approval shall not constitute any nature of waiver or estoppel either as to the persons expressing such approval or any other person in the event that such building and/or improvements are not constructed in accordance with such plans and specifications and plot plan, but, nevertheless, fail to comply with the provisions hereof. Review and approval of any application pursuant to this Article is made on the basis of aesthetic considerations only and neither the Developer, the Association, nor the ACC shall bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, the adequacy of soils or drainage, or for ensuring compliance with building codes and other governmental requirements, or for ensuring that all dwellings are of comparable quality, value or size, of similar design, or aesthetically pleasing or otherwise acceptable to neighboring property Owners. Neither the Developer, the Association, the Board of Directors, the ACC, nor any committee, or member of any of the foregoing shall be held liable for any injury, damages, or loss arising out of the manner or quality of approved construction on or modifications to any Tract. Further, no person exercising any prerogative of approval or disapproval shall incur any liability by reasons of the good faith exercise thereof.

**Section 4.05 Variance.** The Developer or, if applicable, the ACC, may, on a case by case basis, authorize variances from compliance with any of the provisions of either (i) this Declaration, or (ii) the minimum acceptable construction standards or regulations and requirements as promulgated from time to time by the Developer or the ACC. Notwithstanding, after the Control Transfer Date, both the Developer and the ACC shall have the right to grant a variance from the Building set-back line restrictions. Either party may grant this variance, as it determines in its sole discretion is needed, without the consent of the other. Such variance must be evidenced in writing and shall become effective when signed by the Developer or by at least a majority of the members of the ACC. If any such variances are granted, no violation of the provisions of this Declaration shall be deemed to have occurred with respect to the matter for which the variance is granted; provided, however, that the granting of a variance shall not operate to waive any of the provision of the Declaration for any purpose except as to the particular property and particular provisions hereof covered by the variance, nor shall the granting of any variance effect in any way the Owner's obligation to comply with all governmental laws and regulations affecting the property concerned and the Plat.

**ARTICLE V**  
**MOUNTAIN LAKES**  
**PROPERTY OWNERS ASSOCIATION**

**Section 5.01 Membership.** Every Owner of a Tract which is subject to the Maintenance charge (or could be following the withdrawal of an exemption therefrom) and other assessments provided herein, including contract sellers, shall be a "Member" of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation or those having only an interest in the mineral estate. Owners shall have one membership for each Tract including consolidated Tracts under article 3.02, owned by such Member. Memberships shall be appurtenant to and may not be separated from the ownership of the Tract. Regardless of the number of persons who may own a Tract (such as husband and wife, or joint tenants, etc.) there shall be but one membership for each Tract, and all persons owning a portion of a single or consolidated Tracts shall share the privileges of such membership, subject to reasonable Board of Directors regulation and the restrictions on voting set forth in the By-laws. Additionally, the Directors of the Association shall also be Members of the Association (as more particularly described in the By-laws). Ownership of the Tracts shall be the sole qualification for membership. The voting rights of the Members are set forth in the By-laws of the Association.

The membership rights of any Member which is not a natural person may be exercised by any officer, director, member, manager, partner or trustee, or by any individual designated from time to time by the Owner in a written instrument delivered to the secretary of the Association.

**Section 5.02 Non-Profit Corporation.** Mountain Lakes Property Owners Association, a Texas non-profit corporation, has been organized and it shall be governed by the Articles of Incorporation and By-laws of said Association; and all duties, obligations, benefits, liens and rights hereunder in favor of the Association shall vest in said corporation.

**Section 5.03 By-laws.** The Association has adopted or may adopt whatever By-laws it may choose to govern the organization or operation of the Subdivision and the use and enjoyment of the Tracts and Common Areas, provided that the same are not in conflict with the terms and provisions hereof.

**Section 5.04 Owners Right of Enjoyment.** Every Owner shall have a beneficial interest of use and enjoyment in and to the Common Areas and such right shall be appurtenant to and shall pass with the title to every assessed Tract, subject to the following provisions:

- (a) the right of the Association, with respect to the Common Areas, to limit the number of guests of Owners;
- (b) the right of the Association to charge reasonable admission and other fees for the use of any facility situated upon the Common Areas;
- (c) the right of the Association, in accordance with its Articles and By-laws (and until 95% of all tracts in the Subdivision are sold, subject to the prior written approval of the Developer), to (1) borrow money for the purpose of improving and maintaining the Common Areas and facilities (including borrowing from the Developer or any entity affiliated with the Developer) and (ii) mortgage said property, however, the rights of such mortgagee of said property shall be subordinate to the rights of the Owners hereunder;
- (d) the right of the Association to suspend the Member's voting rights and the Member's and "Related Users" (as hereinafter defined) right to use any recreational facilities



within the Common Areas during any period in which the Maintenance Charge or any assessment against his Tract remains unpaid;

- (e) the right of the Association to suspend the Member's voting rights and the Member's, including the Member's family members, guests and invitees (the "Related Users"), right to use any recreational facilities within the Common Area, after notice and hearing by the Board of Directors, for the infraction or violation by such Member or Related Users of this Declaration or the "Rules and Regulations", as hereinafter defined, which suspension shall continue for the duration of such infraction or violation, plus a period not to exceed sixty (60) days following the cessation or curing of such infraction or violation.

## **ARTICLE VI MAINTENANCE FUND**

**Section 6.01 Maintenance Fund Obligation.** Each Owner of a Tract by acceptance of a deed therefore, whether or not it shall be expressed in any such deed or other conveyance, is deemed to covenant and agrees to pay to the Association a monthly maintenance charge (the "Maintenance Charge"), and any other assessments or charges hereby levied. The Maintenance Charge and any other assessments, fines or charges hereby levied, together with such interest thereon and costs of collection thereof, including reasonable attorneys' fees as allowed by the Act, as hereinafter provided, shall be a charge on the Tracts and shall be a personal obligation of the Owner of the Tract and a continuing lien upon the property against which each such Maintenance Charge, other charges or fines, and assessments are made.

### **Section 6.02 Basis of the Maintenance Charge.**

- (a) The Maintenance Charge referred to shall be used to create a fund to be known as the "Maintenance Fund", which shall be used as herein provided; and each such Maintenance Charge (except as otherwise Herein after provided) shall be paid by the Owner of each Tract (or residential building site) to the Association. The Maintenance Charge for the year of purchase shall be prorated at closing and then shall be paid annually, in advance, on or before the first day of the first month of each calendar year. Provided, however, that if an Owner owns more than one Tract in the Subdivision, such Owner shall pay only twice the assessment of one (1) Tract no matter how many Tracts are owned. In the event an Owner obtains consent from the ACC for a Composite Building Site pursuant to Section 3.02 hereof, such Composite Building Site shall, for this purpose, be considered one (1) Tract beginning upon the date of completion of the improvements located thereon.
- (b) Any Maintenance Charge not paid within thirty (30) days after the due date shall bear interest from the due date at the lesser of (i) the rate of eighteen percent (18%) per annum or(ii) the maximum rate permitted by law. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the hereinafter described lien against the Owner's Tract. No Owner may waive or otherwise escape liability for the Maintenance Charge by non-use of any Common Areas or recreational facilities available for use by Owners of the Subdivision or by the abandonment of his Tract.
- (c) The exact amount of the Maintenance Charge applicable to each Tract will be initially determined by the Developer. All other matters relating to the Maintenance Charge and the collection, expenditures and administration of the Maintenance Fund shall be determined by the Developer until the Control Transfer Date and thereafter by the Board of Directors of the Association, subject to the provisions hereof.

- (d) The Association, from and after the Control Transfer Date, shall have the further right at any time, with a majority vote of all association members, to adjust or alter said Maintenance Charge from year to year as it deems proper to meet the reasonable operation expenses and reserve requirements of the Association in order for the Association to carry out its duties hereunder.

**Section 6.03 Creation of Lien and Personal Obligation.** In order to secure the payment of the Maintenance Charge, and other charges, fines and assessments hereby levied, each Owner of a Tract in the Subdivision, by such party's acceptance of a deed thereto, hereby grants to the Association a contractual lien on such Tract which may be foreclosed on by judicial or non-judicial foreclosure in like manner as a mortgage on real estate under power of sale pursuant to the provisions of Title 5, Chapter 51 of the Texas Property Code (and any successor statute); and each such owner hereby expressly grants the Association a power of sale in connection therewith. Notwithstanding anything to the contrary contained herein and as set forth in the Act, neither the Developer nor the Association shall be permitted to bring an action for foreclosure under this Section solely for fines assessed by the Association or for attorneys' fees incurred by the Association solely associated with fines assessed by the Association.

In any foreclosure action brought under the power of sale provisions, the Association shall be deemed to be the holder and owner of the obligation secured by this Declaration. The registered agent of the Association shall be the trustee for all purposes of the foreclosure proceeding, and the Association shall have the power to appoint a substitute trustee if for any reason the Association desires to replace the trustee, and the substitute trustee shall succeed to all rights, powers and duties thereof. The Association shall request of the trustee to sell the Tract subject to the lien at public auction for cash, after having first given such notice and advertising the time and place of such sale in such manner as may then be provided by law for mortgages, and upon such sale and upon compliance with the law then relating to foreclosure proceedings under power of sale to convey to the purchaser in as full and ample manner as authorized by Title 5, Chapter 51 of the Texas Property Code. The trustee shall be authorized to retain an attorney to represent such trustee in such proceedings. The proceeds of the sale shall, after the trustee retains its commission, together with any additional attorneys' fees incurred by the trustee, be applied to the costs of the sale, including but not limited to costs of collection, taxes, assessments, costs of recording, service fees, and incidental expenditures, the amount due on any note secured by the Tract, and any advancements made by the Association in the protection of the security. Following any such foreclosure, each occupant of any such Tract foreclosed on and each occupant of any improvements thereon shall be deemed to be a tenant at sufferance and may be removed from possession by any and all lawful means, including a judgment for possession in an action of forcible detainer and the issuance of a writ of restitution thereunder.

The Association may bid for the Tract at the foreclosure sale and acquire, hold, lease, mortgage, and convey the Tract. While a Tract is owned by the Association following foreclosure: (a) no right to vote shall be exercised on its behalf; (b) no Maintenance Charge or other charge, fine, or assessment shall be levied on it; and (c) each other Tract shall be charged, in addition to its usual Maintenance Charge, its pro rata share of the Maintenance Charge that would have been charged such Tract had it not been acquired by the Association.

In the event of non-payment by any Owner of any Maintenance Charge or other charge, fine, or assessment levied hereunder, the Association may, in addition to foreclosing the lien hereby retained, and exercising the remedies provided herein, upon ten (10) days prior written notice thereof to such nonpaying Owner, exercise all other rights and remedies available at law or in equity. The Association may sue for unpaid Maintenance Charge or other charges, fines, or assessments authorized hereunder without foreclosing or waiving the lien securing the same.

It is the intent of the provisions of this Section 6.03 to comply with the provisions of Title 5, Chapter 51 of the Texas Property Code relating to judicial or non-judicial foreclosure and, in the event of the amendment of said Title 5, Chapter 51 of the Texas Property Code hereafter, the Board of Directors of the Association, acting without joinder of any other Owner or mortgagee or other person may, by amendment to this Declaration filed in the Real Property Records of Erath County, Texas, amend the provisions hereof so as to comply with said amendments to Title 5, Chapter 51 of the Texas Property Code.

**Section 6.04 Notice of Lien.** In addition to the right of the Association to enforce the Maintenance Charge or other charge, fine, or assessment levied hereunder, the Association may file a claim or lien against the Tract of the delinquent Owner by recording a notice ("Notice of Lien") setting forth (a) the amount of the claim of delinquency, (b) the interest and costs of amount of the claim of delinquency, (c) the interest and costs of collection which have accrued thereon, (d) the legal description and street address of the Tract against which the lien is claimed and (e) the name of the Owner thereof. Such Notice of Lien shall be signed and acknowledged by an officer of the Association or other duly authorized agent of the Association. The lien shall continue until the amounts secured thereby and all subsequently accruing amounts are fully paid or otherwise satisfied. When all amounts claimed under the Notice of Lien and all other costs and assessments which may have accrued subsequent to the filing of the Notice of Lien have been fully paid or satisfied, the Association acting through its duly authorized officer or agent shall execute and record a notice releasing the lien upon payment by the Owner of a reasonable fee as fixed by the Board of Directors to cover the preparation and recordation of such release of lien instrument. Notwithstanding the foregoing, neither the Developer nor the Association shall be permitted to file a lien on any Tract owned by the Veterans Land Board following foreclosure and assumption of ownership of the Tract by the Veteran's Land Board.

**Section 6.05 Liens Subordinate to Mortgages.** The lien described in this Article VI shall be deemed subordinate to a first lien or other liens of any bank, insurance company, savings and loan association, university, pension and profit sharing trusts or plans, or any other third party lender, including Developer, which may have heretofore or may hereafter lend money in good faith for the purchase or improvement of any Tract and any renewal, extension, rearrangement or refinancing thereof. The sale or transfer of any Tract shall not affect the lien or relieve such Tract from the lien for any subsequent Maintenance Charge or other charge, fine, or assessment. However, the sale or transfer of any Tract pursuant to foreclosure of the first mortgage shall extinguish the lien as to any installments of such Maintenance Charge or other charge, fine, or assessment due prior to such sale or transfer. A mortgagee or other purchaser of a Tract who obtains title pursuant to foreclosure of the mortgage shall not be personally liable for Maintenance Charges or other charges, fines or assessments on such Tract due prior to such acquisition of title. Such unpaid Maintenance Charges or other charges, fines, or assessments shall be deemed to be common expenses of the Association collectible from Owners of all Tracts subject to assessment under Article VI, including such acquirer, its successors and assigns. Any other sale or transfer of a Tract shall not affect the Association's lien for Maintenance Charges or other charges, fines or assessments. The Association shall make a good faith effort to give each such mortgagee sixty (60) days advance written notice of the Association's proposed foreclosure of the lien described in Section 6.01 hereof, which notice shall be sent to the nearest office of such mortgagee by prepaid United States registered or Certified mail, return receipt requested, and shall contain a statement of delinquent Maintenance Charges or other charges, fines, or assessments upon which the proposed action is based provided, however, the Association's failure to give such notice shall not impair or invalidate any foreclosure conducted by the Association pursuant to the provisions of this Article VI.

**Section 6.06 Purpose of the Maintenance Charge.** The Maintenance Charge levied by the Developer or the Association may be used by the Association for the general benefit of the Owners which may include, but is not necessarily limited to promoting the recreation, health, safety, and welfare of the Owners of the Subdivision and other portions of the Annexable Area which hereafter may become subject to the jurisdiction of the Association. In particular, the Maintenance Charge may be used for any improvement or services in furtherance of these purposes and the performance of the Association's duties described in Article VIII, including the maintenance of any Common Areas, any Drainage Easements and the establishment and maintenance of a reserve fund for maintenance of any Common Areas. The Maintenance Fund may be expended by the Developer or the Association for any purposes which, in the judgment of the Developer or the Association, will tend to maintain the property values in the Subdivision, including, but not limited to, providing funds for the actual cost to the Association of all taxes, insurance, repairs, energy charges, replacement and maintenance of the Common Area as may from time to time be authorized by the Association. Except for the Developer or the Association's use of the Maintenance Charge to perform its duties described in this Declaration and in the By-laws, the use of the Maintenance Charge for any of these purposes is permissive and not mandatory. It is understood that the judgment of the Developer or the Association as to the expenditure of said funds shall be final and conclusive so long as such judgment is exercised in good faith.

**Section 6.07 Exempt Property.** The following property subject to this Declaration shall be exempt from the Maintenance Charge and all other charges and assessments created herein: (a) all properties dedicated to and accepted by a local public authority; (b) the Common Area; (c) all properties owned by a charitable or nonprofit organization exempt from taxation by the laws of the State of Texas; however, no land or improvements devoted to dwelling use shall be exempt from said Maintenance Charge; and (d) any property owned by the Veterans Land Board or the State of Texas which is part of the Mountain Lakes Subdivision.

**Section 6.08 Handling of Maintenance Charges.** The collection and management of the Maintenance Charge or other charge or assessment levied hereunder, shall be performed by the Developer until the Control Transfer Date, at which time the Developer shall deliver to the Association all funds on hand together with all books and records of receipt and disbursements. The Developer and, upon transfer, the Association, shall maintain separate special accounts for these funds, and Owners shall be provided at least annually information on the Maintenance Fund.

## **ARTICLE VII DEVELOPER'S RIGHTS AND RESERVATIONS**

**Section 7.01 Period of Developer's Rights and Reservations.** Developer shall have, retain and reserve certain rights as hereinafter set forth with respect to the Association and the Common Area from the date hereof, until the earlier to occur of (i) the Control Transfer Date or (ii) Developer's written notice to the Association of Developer's termination of the rights described herein. The rights and reservations hereinafter set forth shall be deemed accepted and reserved in each conveyance of a Tract by Developer to an Owner whether or not specifically stated therein and in each deed or other instrument by which any property within the Common Area is conveyed by Developer. The rights, reservations and easements hereafter set forth shall be prior and superior to any other provisions of this Declaration and may not, without Developer's prior written consent, be modified, amended, rescinded or affected by any amendment of this Declaration. Developer's consent to any one such amendment shall not be construed as a consent to any other or subsequent amendment.

**Section 7.02 Right to Construct Additional Improvements in Common Area.** Developer shall have and hereby reserves the right until the Control Transfer Date



without the consent of any other Owner, but shall not be obligated, to construct additional improvements within the Common Area at any time and from time to time in accordance with this Declaration for the improvement and enhancement thereof and for the benefit of the Association and Owners, so long as such construction does not directly result in the increase of such Maintenance Charge. Developer shall, upon the Control Transfer Date, convey or transfer such improvements to the Association and the Association shall be obligated to accept title to, care for and maintain the same as elsewhere provided in this Declaration.

**Section 7.03 Developer's Rights to Use Common Areas in Promotion and Marketing of the Property.** Developer shall have and hereby reserves the right to reasonable use of the Common Area and of services offered by the Association in connection with the promotion and marketing of land within the boundaries of the Property. Without limiting the generality of the foregoing, Developer may erect and maintain on any part of the Common Area such signs, temporary buildings and other structures as Developer may reasonably deem necessary or proper in connection with the promotion, development and marketing of land within the Property; may use vehicles and equipment within the Common Area for promotional purposes; and may permit prospective purchasers of property within the boundaries of the Property, who are not Owners or Members of the Association, to use the Common Area at reasonable times and in reasonable numbers; and may refer to the services offered by the Association in connection with the development, promotion and marketing of the Property.

**Section 7.04 Developer's Rights to Grant and Create Easements.** Developer shall have and hereby reserves the right, without the consent of any other Owner or the Association, to grant or create temporary or permanent easements, for access, utilities, pipeline easement, cable television systems, communication and security systems, drainage, water and other purposes incidental to development, sale, operation and maintenance of the Subdivision, located in, on, under over and across (I) the Tracts or other property owned by Developer, (ii) the Common Area, and (iii) existing utility easements. Developer also reserves the right, without the consent of any other Owner or the Association, to (i) grant or create temporary or permanent easements for access over and across the streets and roads within the Subdivision.

**Section 7.05 Developer's Rights to Convey Additional Common Area to the Association.** Developer shall have and hereby reserves the right, but shall not be obligated to, convey additional real property and improvements thereon, if any, to the Association as Common Area at any time and from time to time in accordance with this Declaration, without the consent of any other Owner or the Association.

**Section 7.06 Annexation of Annexable Area.** Additional residential property and common areas outside of the Subdivision including, without limitation, the Annexable Area, may, at any time and from time to time, be annexed by the Developer and the same shall there upon become subject to the jurisdiction of and enjoy the benefits of the Association, without the consent of the Owners or any other party. Such additional residential property is hereby impressed with and made subject to the Maintenance Charge imposed herein and the Association shall be entitled to the use and benefit of all Common Areas that are or may become subject to the jurisdiction of the Association.

## **ARTICLE VIII**

### **DUTIES AND POWERS OF THE PROPERTY OWNERS ASSOCIATION**

**Section 8.01 General Duties and Powers of the Association.** The Association has been formed to further the common interest of the Members. The Association, acting through the Board of Directors or through persons to whom the Board of Directors has delegated such powers (and subject to the provisions of the By-laws), shall have the duties and

powers hereinafter set forth and, in general, the power to do anything that may be necessary or desirable to further the common interest of the members, to maintain, improve and enhance the Common Areas and to improve and enhance the attractiveness, desirability and safety of the Subdivision. The Association shall have the authority to act as the agent to enter into any and all contracts on behalf of the Members in order to carry out the duties, powers and obligations of the association as set forth in this Declaration.

**Section 8.02 Duty to Accept the Property and Facilities Transferred by Developer.**

The Association shall accept title to any property, including any improvements thereon and personal property transferred to the Association by Developer, and equipment related thereto, together with the responsibility to perform any and all administrative functions and recreation functions associated therewith (collectively herein referred to as 'Functions'), provided that such property and Functions are not inconsistent with the terms of this Declaration. Property interests transferred to the Association by Developer may include fee simple title, easements, leasehold interests and licenses to use such property. Any property or interest in property transferred to the Association by Developer shall be within the boundaries of the Property. Any property or interest in property transferred to the Association by Developer shall, except to the extent otherwise specifically approved by resolution of the Board of Directors, be transferred to the Association free and clear of all liens and mortgages (other than the lien for property taxes and assessments not then due and payable), but shall be subject to the terms of this Declaration, the terms of any declaration of covenants, conditions and restrictions annexing such property to the Common Area, and all easements, covenants, conditions, restrictions and equitable servitude or other encumbrances which do not materially affect the Owners authorized to use such property. Except as otherwise specifically approved by resolution of the Board of Directors, no property or interest in property transferred to the Association by the Developer shall impose upon the Association any obligation to make monetary payments to Developer or any affiliate of Developer including, but not limited to, for any purchase price, rent, charge or fee. The property or interest in property transferred to the Association by Developer shall not impose any unreasonable or special burdens of ownership of property, including the management maintenance, replacement and operation thereof.

**Section 8.03 Duty to Manage and Care for the Common Area.** The Association shall manage, operate, care for, maintain and repair all Common Areas and keep the same in an attractive and desirable condition for the use and enjoyment of the Members. The duty to operate, manage and maintain the Common Areas may include, but not be limited to the following: establishment, management, maintenance, repair and upkeep of the subdivision entrances and other Common Areas.

**Section 8.04 Other Insurance Bonds.** The Association shall obtain such insurance as may be required by law, including workmen's compensation insurance, and shall have the power to obtain such other insurance and such fidelity, indemnity or other bonds as the Association shall deem necessary or desirable.

**Section 8.05 Duty to Prepare Budgets.** The Association shall prepare budgets for the Association, which budgets shall include a reserve fund for the maintenance of all Common Areas.

**Section 8.06 Duty to Levy and Collect the Maintenance Charge.** The Association shall levy, collect and enforce the Maintenance Charge and other charges and assessments as elsewhere provided in this Declaration.

**Section 8.07 Duty to Provide Annual Review.** The Association shall provide for an annual unaudited independent review of the accounts of the Association. Copies of the review shall be made available to any Member who requests a copy of the same upon payment by such Member of the reasonable cost of copying the same.

**Section 8.08 Duties with Respect to Architectural Approvals.** The Association shall perform functions to assist the ACC as elsewhere provided in Article IV of this Declaration.

**Section 8.09 Power to Acquire Property and Construct Improvements.** The Association may acquire property or an interest in property (including leases) for the common benefit of Owners including improvements and personal property. The Association may construct improvements on the Property and may demolish existing improvements.

**Section 8.10 Power to Adopt Rules and Regulations.** The Association may adopt, amend, repeal and enforce rules and regulations ("Rules and Regulations"), fines, levies and enforcement provisions as may be deemed necessary or desirable with respect to the interpretation and implementation of this Declaration, the operation of the Association, the use and enjoyment of the Common Areas, and the use of any other property, facilities or improvements owned or operated by the Association.

**Section 8.11 Power to Enforce the Declaration and Rules and Regulations.** The Developer, until the Control Transfer Date, and thereafter the Association and any Owner, with respect only to the remedies described in (ii) or (iii) below, shall have the power to enforce the provisions of this Declaration and the Rules and Regulations and shall take such action as the Board of Directors deems necessary or desirable to cause such compliance by each Member and each Related User. Without limiting the generality of the foregoing such Developer and or the Association shall have the power to enforce the provisions of this Declaration and of Rules and Regulations of the Association by any one or more of the following means: (i) By entry upon any property within the Subdivision after notice and hearing (unless a bona fide emergency exists in which event this right of entry may be exercised without notice (written or oral) to the Owner in such manner as to avoid any unreasonable or unnecessary interference with the lawful possession, use or enjoyment of the improvements situated thereon by the Owner or any other person), without liability by the Developer or the Association to the Owner thereof, for the purpose of enforcement of this Declaration or the Rules and Regulations; (ii) by commencing and maintaining actions and suits to restrain and enjoin any breach or threatened breach of the provisions of this Declaration or the Rules and Regulations; (iii) by exclusion, after notice and hearing, of any Member or Related User from use of any recreational facilities within the Common Areas during and for up to sixty (60) days following any breach of this Declaration or such Rules and Regulations by such Member or any Related User, unless the breach is a continuing breach in which case exclusion shall continue for so long as such breach continues; (iv) by suspension, after notice and hearing, of the voting rights of a Member during and for up to sixty (60) days following any breach by such Member or a Related User of a provision of this Declaration or such Rules and Regulations, unless the breach is a continuing breach in which case such suspension shall continue for so long as such breach continues; (v) by levying and collecting, after notice and hearing, a fine or assessment against any Member for breach of this Declaration or such Rules and Regulations by such Member or a Related User which assessment reimbursed the Association for the costs incurred by the Association in connection with such breach; (vi) by levying and collecting, after notice and hearing, reasonable and uniformly applied fines and penalties, established in advance in the Rules and Regulations of the Association, from any Member or Related User for breach of this Declaration or such Rules and Regulations by such Member or a Related User; and (vii) by taking action itself to cure or abate such violation and to charge the expenses thereof, if any, to such violating Members, plus attorneys' fees, as allowed by the Act, incurred by the Association with respect to exercising such remedy.

Before the Board may invoke the remedies provided above, it shall give registered notice of such alleged violation to Owner, and shall afford the Owner a hearing using the

procedures set forth in the By-laws. If, after the hearing, a violation is found to exist, the Board's right to proceed with the listed remedies shall become absolute. Each day a violation continues shall be deemed a separate violation. Failure of the Association, the Developer, or of any Owner to take any action upon any breach or default with respect to any of the foregoing violations shall not be deemed a waiver of their right to take enforcement action thereafter or upon a subsequent breach or default.

**Section 8.12 Power to Grant Easements.** In addition to any blanket easements described in this Declaration, the Association shall have the power to grant access, utility, drainage, and other such easements in, on, over or under the Common Area.

## **ARTICLE IX GENERAL PROVISIONS**

**Section 9.01 Term.** The provisions hereof shall run with all property in the Subdivision and shall be binding upon all Owners and all persons claiming under them for a period of forty (40) years from the date this Declaration is recorded, after which time said Declaration shall be automatically extended for successive periods often (10) years each, unless an instrument, signed by not less than two-thirds (2/3rds) of the Owners (including the Developer) of the Tracts has been recorded agreeing to amend or change, in whole or in part, this Declaration.

**Section 9.02 Amendments.** This Declaration may be amended or changed, in whole or in part, at any time by the written agreement or signed ballot of two-thirds (2/3rds) of the Owners of Tracts in the Mountain Lakes Subdivision (including the Developer) entitled to vote, if the amendment is signed by less than (2/3rds) of all of the Owners of Tracts in the Mountain Lakes Subdivision entitled to cast votes, such amendment may be adopted if it is subsequently be approved by two thirds (2/3rds) of such Owners within three hundred sixty-five (365) days after the date the first Owner executed such amendment. The date an Owner's signature is acknowledged shall constitute prima facia evidence of the date of execution of said amendment by such Owner. Each Tract shall be entitled to one (1) vote, with the exception of consolidated Tracts under Article 3.02, and therefore, if any Member is the Owner of two (2) or more Tracts, he shall be entitled to the same number of votes as he owns Tracts. Those Members (Owners, including the Developer) entitled to cast not less than two-thirds (2/3rds) of all of the votes of the Members of the Association may also vote to amend this Declaration, in person, or by proxy, at a meeting of the Members (Owners, including the Declarant) duly called for such purpose, written notice of which shall be given to all Owners in accordance with the By-laws and shall set forth the purpose of such meeting. Any such amendment shall become effective when an instrument is filed for record in the Real Property Records of Erath County, Texas, accompanied by a certificate, signed by a majority of the Board of Directors, stating that the required number of Members (Owners, including the Developer) executed the instrument amending this Declaration or cast a written vote, in person or by proxy, in favor of said amendment at the meeting called for such purpose. Copies of the written ballots pertaining to such amendment shall be retained by the Association for a period of not less than three (3) years after the date of filing of the amendment or termination.

**Section 9.03 Amendments by the Developer.** The Developer shall have and reserves the right at any time and from time to time prior to the Control Transfer Date, without the joinder or consent of any Owner or other party, to unilaterally amend this Declaration by an instrument in writing duly signed, acknowledged, and filed for record, if such amendment is necessary (a) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (b) to enable any reputable title insurance company to issue title insurance coverage on the Tracts; (c) to 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 Tracts; (d) to satisfy the requirements of any local, state or federal governmental agency; and (e) to correct any typographical or grammatical error, oversight, ambiguity or inconsistency appearing herein, provided that any such amendment shall be consistent with and in furtherance of the general plan and scheme of development as evidenced by this Declaration and shall not impair or adversely affect the vested property or other rights of any Owner or his mortgagee. However, any such amendment shall not adversely affect the title to any Tract unless the Owner shall consent in writing. Additionally, Developer shall have and reserves the right at any time and from time to time prior to the Control Transfer Date, without the jointer or consent of any Owner of other party, to amend this Declaration by an instrument in writing duly signed, acknowledged and filed for record for the purpose of permitting the Owners to enjoy the benefits from technological advances, such as security, communications or energy related devices or equipment which did not exist or were not in common use in residential subdivisions at the time this Declaration was adopted. Likewise, the Developer shall have and reserves the right at any time and from time to time prior to the Control Transfer Date, without the jointer or consent of any Owner or other party, to amend this Declaration by an instrument in writing duly signed, acknowledged and filed for record for the purpose of prohibiting the use of any device or apparatus developed and/or available for residential use following the date of this Declaration if the use of such device or apparatus will adversely affect the Association or will adversely affect the property values within the Subdivision.

**Section 9.04 Severability.** Each of the provisions of this Declaration shall be deemed independent and severable and the invalidity or un-enforceability or partial invalidity or partial un-enforceability of any provision or portion hereof shall not affect the validity or enforceability of any other provision.

**Section 9.05 Liberal Interpretation.** The provisions of this Declaration shall be liberally construed as a whole to effectuate the purpose of this Declaration.

**Section 9.06 Successors and Assigns.** The provisions hereof shall be binding upon and inure to the benefit of the Owners, the Developer and the Association, and their respective heirs, legal representatives, executors, administrators, successors and assigns.

**Section 9.07 Effect of Violations on Mortgages.** No violation of the provisions herein contained, or any portion thereof, shall affect the lien of any mortgage or deed of trust presently or hereafter placed of record or otherwise affect the rights of the mortgagee under any such mortgage, the holder of any such lien or beneficiary of any such deed of trust; and any such mortgage, lien or deed of trust may, nevertheless, be enforced in accordance with its terms, subject, nevertheless, to the provisions herein contained.

**Section 9.08 Terminology.** All personal pronouns used in this Declaration and all exhibits attached hereto, whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural and vice versa. Title of Articles and Sections are for convenience only and neither limit nor amplify the provisions of this Declaration itself. The terms "herein", "hereof" and similar terms, as used in this instrument, refer to the entire agreement and are not limited to referring only to the specific paragraph, section or article in which such terms appear. All references in this Declaration to Exhibits shall refer to the Exhibits attached hereto.

#### **VETERAN PURCHASER PARTIAL RELEASE**

Notwithstanding anything contained in the Restrictions to the contrary, a Veteran Purchaser shall be entitled to have a one (1.00) acre Tract released from the Veterans Land Board for a home site and same shall not be construed as a violation of the above Restrictive Covenants.

IN WITNESS WHEREOF, the undersigned, being the Developer herein, has hereunto set its hand of this 128th day of October, 2003.

BLUEGREEN SOUTHWEST ONE, L.P.

Formerly known as PROPERTIES OF THE SOUTHWEST, L.P.

By BLUEGREEN SOUTH WEST LAND, INC. General Partner

KEASLER, VICE-PRESIDENT

STATE OF TEXAS \*

COUNTY OF ERATH \*

This instrument was acknowledged before me on the 28th day of , October, 2003, by JESSE KEASLER, Vice-President of BLUEGREEN SOUTHWEST ONE L.P. Formerly known as PROPERTIES OF THE SOUTHWEST, L.P. by BLUEGREEN SOUTHWEST LAND, INC., GENERAL PARTNER, a Delaware corporation, on behalf of said corporation.

Janet E. Ward,

Notary, State of Texas

FILED 9:00 OCLOCK AM

October 29, 2003

BY: Gwenda Jones

COUNTY CLERK, ERATH CO., TEXAS

BY DEPUTY

JANET E. WARD  
MY COMMISSION EXPIRES  
February 5, 2005\_

CLERKS NOTICE: ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PIROPERTY BECAUSE OF COLOR OR RACE. IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

STATE OF TEXAS

COUNTY OF ERATH

I hereby certify that this instrument was FILED on  
the date and at the time stamped hereon by me  
and was duly RECORDED in the Volume and  
Page of the Official Public Records of Erath County, Texas.  
County Clerk, Erath County, Texas

52857 APR -8 1/2

**SECOND AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND  
RESTRICTIONS FOR MOUNTAIN LAKES  
SECTION THREE**

STATE OF TEXAS           §  
                                  §       KNOW ALL MEN BY THESE PRESENTS:  
COUNTY OF ERATH       §

This SECOND AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR MOUNTAIN LAKES, SECTION THREE is made this 21st day of March, 2005, BUT EFFECTIVE AS OF 22 February, 2002, by BLUEGREEN SOUTHWEST ONE, L.P., a Delaware limited partnership, duly authorized to do business in the State of Texas (hereinafter referred to as "Developer" or "Declarant").

**WITNESSETH:**

WHEREAS, Declarant prepared and filed of record that certain Declaration of Covenants, Conditions and Restrictions for Mountain Lakes, Section Three in the Official Public Records of Erath County, Texas at Volume 1064, Page 507 and under Erath County Clerk's File No. 20835 on February 1, 2002, and as amended on April 9, 2002 by an Amendment to the Declaration of Covenants, Conditions and Restrictions for Mountain Lakes, Section Three and filed of record under Erath County Clerk's File No. 22667 (herein collectively referred to as the "Restrictions"); and

WHEREAS, Section 9.02 of the Restrictions provide that the Restrictions may be amended or changed, in whole or in part, at any time by the written agreement or by signed ballots voting for such amendment, of not less than two-thirds (2/3rds) of all of the Owners (including the Developer) of the Subdivision; and,

WHEREAS, Section 9.03 states that the Developer shall have and reserves the right at any time and from time to time prior to the Control Transfer Date, without the joinder or consent of any Owner or other party, to amend the Restrictions by an instrument in writing duly signed, acknowledged and filed for record; and,

WHEREAS, the Developer of MOUNTAIN LAKES is BLUEGREEN SOUTHWEST ONE, L.P., (hereinafter the "Developer") and the Control Transfer Date has not yet occurred as stated in the Restrictions, thereby allowing for this Second Amendment to the Restrictions.

NOW THEREFORE, premises considered, Developer, in accordance with Section 9.02 and Section 9.03, does hereby amend the Restrictions of MOUNTAIN LAKES as follows:

**Supplement to Use Restrictions**

1. Developer amends and supplements "Section 2.05. Flowage Easement."

The name of the section is hereby deleted and the following language shall be inserted:

Section 2.05. Flowage Easement and Mitigation Area.

2. Developer amends and supplements Section 2.05. Flowage Easement and Mitigation Area and adds the following language to Section 2.05 of the Restrictions after "b)" as follows:

c.) Wildlife Mitigation Easements/Mitigation Area. One of the special conditions of the United States Army Corps of Engineers ("USACE") Permit requires restrictions be placed on the property herein described for the purpose of providing compensation for adverse impacts to the waters of the United States of America. Any owner of all or any part of the property identified on the plat of this Section identified as a "Wildlife Mitigation Easement" or on Exhibit A or any person having an interest in or proposing to acquire an interest in all or part of any property identified on the

plat of this Section as a "Wildlife Mitigation Easement" or on Exhibit A, is notified that development restrictions affecting such property as follows:

i. The Flowage Easement, and other portions of the Mountain Lakes development shown on the filed plats as "Wildlife and Mitigation Easement" or on Exhibit A as "Mitigation Reserve," is hereby dedicated in perpetuity as a Mitigation Area associated with the construction of a dam and 40-acre reservoir on an unnamed tributary of Richardson Creek in the Mountain Lakes development, Sections 2, 3 and 4, near Bluff Dale, Erath County, Texas. The property marked as Wildlife and Mitigation Easements or as Mitigation Area shall not be disturbed and kept in its natural state except by those USACE-approved activities that would not adversely affect the intended extent, condition and function of the Mitigation Area. Any other change, modification or disturbance of the dedicated property shall require prior written approval by the District Engineer, USACE, Fort Worth District, or his/her duly authorized representative.

ii. This restriction shall not be removed or revised without obtaining a modification of the aforementioned USACE authorization and/or prior written approval of the USACE. Permit modifications may be granted only by the USACE.

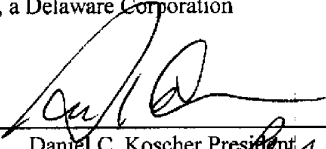
THIS NOTICE OF RESTRICTION DOES NOT GRANT ANY PROPERTY RIGHTS OR EXCLUSIVE PRIVILEGES.

*[End of Amendment to Section 2.05.]*

Except as specifically amended hereby, the Declaration and all terms thereof shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Second Amendment to the Declaration of Conditions, Covenants and Restrictions, Mountain Lakes, Section Three the day and year first above written.

DECLARANT: BLUEGREEN SOUTHWEST ONE, L. P.  
a Delaware limited partnership  
by its General Partner BLUEGREEN SOUTHWEST LAND,  
INC., a Delaware Corporation

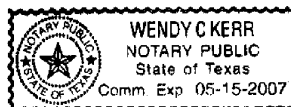
By:   
Daniel C. Koscher President  
BLUEGREEN SOUTHWEST LAND, INC.

**ACKNOWLEDGMENT**

STATE OF TEXAS     §  
                              §  
COUNTY OF DALLAS   §

The foregoing Second Amendment to Declaration of Covenants, Conditions and Restrictions for Mountain Lakes, Section Three was acknowledged before me on the 31st day of March, 2005, by Daniel C. Koscher, President of Bluegreen Southwest Land, Inc., a Delaware corporation, the general partner of Bluegreen Southwest One, L.P., a Delaware limited partnership, on behalf of said corporation.

  
Notary Public, State of Texas



**SECOND AMENDMENT TO COVENANTS, CONDITIONS AND  
RESTRICTIONS OF MOUNTAIN LAKES, SECTION 3 - PAGE 2 OF 3-**

**EXHIBIT A**

ALL THAT AREA AND LAND, found in Mountain Lakes, Section Three, lying and being in the Mitigation Area as shown on attached the drawing of the Property, which includes the thirty (30) foot Drainage and Wildlife Mitigation Easement that crosses portions of the following area and Lots as well as the Flowage Easements shown on the plat and listed in the Restrictions, and also includes the following areas and lots:

A riparian buffer and Flowage Easement fifty (50) feet in width adjacent to the 935 msl at Beacon Lake [Common Area

A riparian buffer and Flowage Easement fifty (50) feet in width adjacent to the 980 msl at Angler's Cove [Common Area

[Lots shown on attached schedule]

Section Three, Mountain Lakes, Erath County, Texas, plat was recorded on January 24, 2002 in Cabinet A, Slide 331, the Map and Plat records of Erath County, Texas in and to which plat reference is hereby made for a more particular description of said land after having been approved as provided by law.

***UPON RECORDING, PLEASE RETURN TO:***

BLUEGREEN SOUTHWEST LAND, INC.  
2000 East Lamar Blvd., Suite 290  
Arlington, Texas 76006

**Mountain Lakes  
Drainage Mitigation Easements**

Section	Lot #	Section	Lot #	Section	Lot #	Section	Lot #	Section	Lot #
3	696	3	796	3	854	3	906	3	1024
3	697	3	797	3	855	3	907	3	1025
3	698	3	821	3	856	3	908	3	1026
3	699	3	826	3	857	3	909		
3	700	3	827	3	869	3	910		
3	701	3	830	3	870	3	911		
3	702	3	831	3	871	3	912		
3	703	3	832	3	872	3	913	4 (Phase 1)	1150
3	704	3	833	3	873	3	914	4 (Phase 1)	1151
3	705	3	834	3	874	3	915	4 (Phase 1)	1152
3	706	3	835	3	875	3	916	4 (Phase 1)	1156
3	707	3	836	3	876	3	917	4 (Phase 1)	1157
3	708	3	837	3	879	3	918		
3	709	3	838	3	880	3	919		
3	710	3	839	3	881	3	920		
3	711	3	840	3	882	3	921		
3	712	3	841	3	883	3	922	4 (Phase 2)	1161
3	713	3	842	3	890	3	923	4 (Phase 2)	1162
3	714	3	843	3	891	3	924	4 (Phase 2)	1163
3	718	3	845	3	892	3	925	4 (Phase 2)	1164
3	719	3	846	3	898	3	926	4 (Phase 2)	1172
3	725	3	847	3	899	3	927	4 (Phase 2)	1173
3	726	3	849	3	900	3	1001		
3	742	3	849A	3	901	3	1002		
3	743	3	850	3	902	3	1010		
3	751	3	851	3	903	3	1011		
3	783	3	852	3	904	3	1022		
3	790	3	853	3	905	3	1023		

**Mountain Lakes  
Drainage Mitigation Easements**

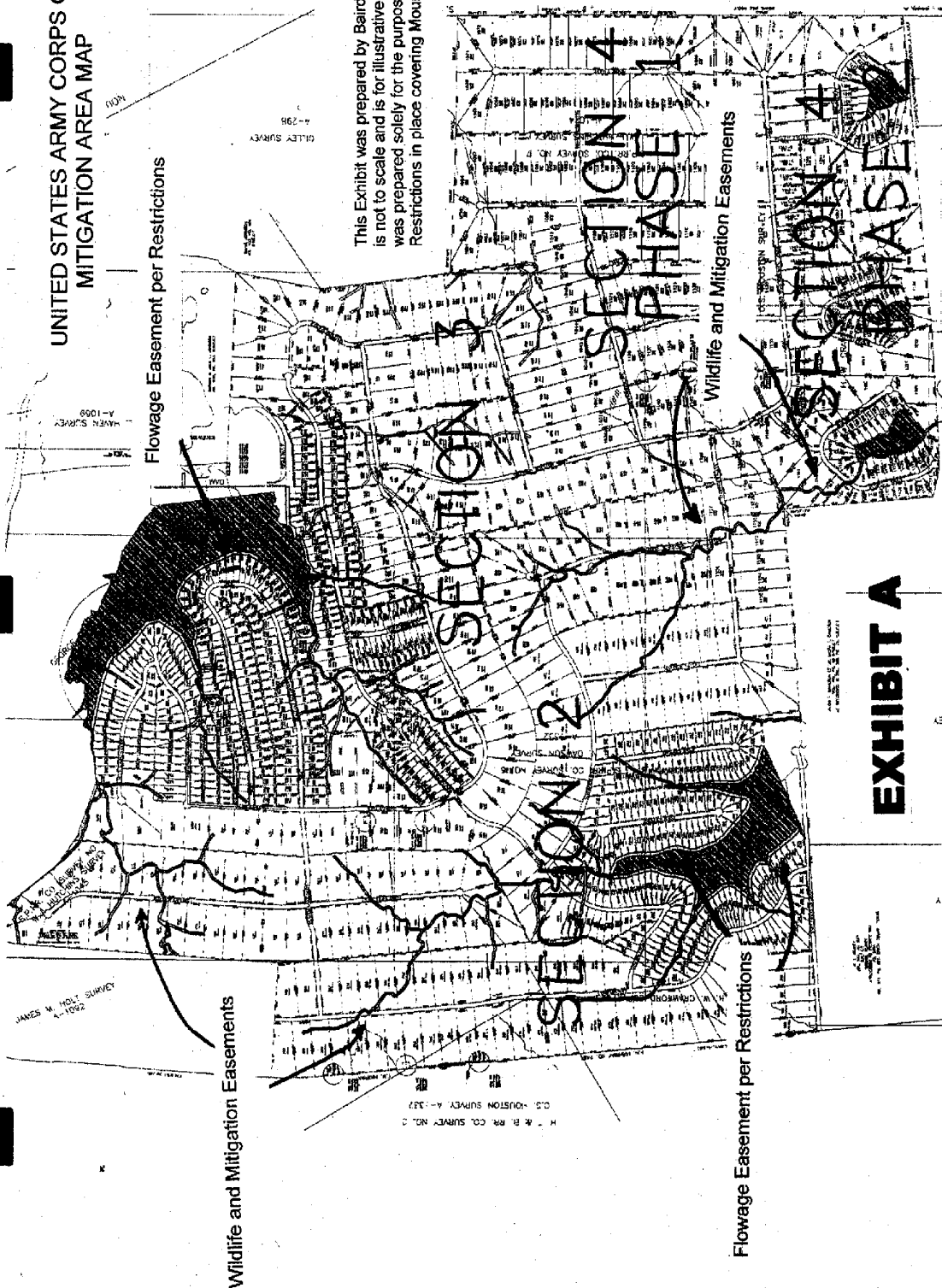
Section	Lot #
3	660
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3	695

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**EXHIBIT A**

# UNITED STATES ARMY CORPS OF ENGINEERS MITIGATION AREA MAP

This Exhibit was prepared by Baird, Hampton & Brown, Inc., and is not to scale and is for illustrative purposes only. This Exhibit was prepared solely for the purposes of amending the current Restrictions in place covering Mountain Lakes



## EXHIBIT A



WARNING: THIS IS PART OF THE OFFICIAL RECORD  
DO NOT DESTROY

FILED FOR RECORD  
At 8 00 O'Clock A M

APR 08 2005

GWINDA JONES, COUNTY CLERK  
ERATH COUNTY, TEXAS

BY ga DEPUTY



STATE OF TEXAS  
COUNTY OF ERATH

I Hereby certify that this instrument was FILED on the date  
and at the time stamped hereon by me and was duly  
RECORDED in the Official Public Records of Erath  
County, Texas in the Volume and Page as shown heron.

*Gwinda Jones*  
County Clerk, Erath County, Texas

☒ Paid ☐ Charge \$ 24.00

Return to:

Pipkin, Oliver & Bradley, L.L.P.  
1822 Northeast Loop 410, Suite 810  
San Antonio, TX 78209-1227

CLERK'S NOTICE: 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

**AMENDED AND RESTATED BY-LAWS  
OF  
PROPERTY OWNERS ASSOCIATION OF MOUNTAIN  
LAKES RANCH**

STATE OF TEXAS           §  
                                  §       **KNOW ALL MEN BY THESE PRESENTS**  
COUNTY OF ERATH       §

These **AMENDED AND RESTATED BY-LAWS OF PROPERTY OWNERS ASSOCIATION OF MOUNTAIN LAKES RANCH** (the "Amended and Restated By-Laws") are adopted by the Board of Directors of the Property Owners Association of Mountain Lakes Ranch as of the \_\_\_\_ day of September, 2008.

**WITNESSETH:**

**WHEREAS**, Bluegreen Southwest One, L.P. (the Declarant") prepared and recorded the following instruments in the Real Property Records of Erath County: (i) Declaration of Covenants, Conditions and Restrictions [for] Mountain Lakes Section One, filed as Document No. 002342 on April 27, 2000; (ii) Declaration of Covenants, Conditions and Restrictions [for] Mountain Lakes Section Two, as Document No. 010227 on January 12, 2001; (iii) Declaration of Covenants, Conditions and Restrictions [for] Mountain Lakes Section Three, as Document No. 20835 on February 1, 2002; (iv) Declaration of Covenants, Conditions and Restrictions [for] Mountain Lake Section Four, Phase I, as Document No. 25672 on July 22, 2002; and (v) Declaration of Covenants, Conditions and Restrictions [for] Mountain Lakes Section Four, Phase Two, as Document No. 38326 on October 29, 2003 (collectively, the "Declaration"); and

**WHEREAS**, the By-Laws of Property Owners Association of Mountain Lakes Ranch were duly adopted on September 26, 1999 (the "By-Laws") and amended on November 8, 2006, by that First Amendment to By-Laws of Property Owners Association of Mountain Lakes Ranch (the "First Amendment"); and

**WHEREAS**, Article Seven, Section 7.07 of the By-Laws provides that the power to amend the By-Laws is vested in the Board of Directors, subject to repeal or change by action of the Members; and

**WHEREAS**, the Board of Directors has voted unanimously to adopt the Amended and Restates By-Laws as hereinafter set forth.

**NOW, THEREFORE**, the By-Laws and the First Amendment are replaced in their entirety as follows:

## **ARTICLE ONE REGISTERED OFFICE**

**1.01 REGISTERED OFFICE:** The registered office of the Corporation is currently located at 16200 Addison Road, Suite 150 Addison, Texas 75001. The name of the registered agent of the Corporation at such address is Aaron Samples. The Corporation may change its registered office and/or its registered agent by filing such change in the office of the Secretary of State.

## **ARTICLE TWO DEFINITIONS**

**2.01 AS USED IN THESE BY-LAWS THE FOLLOWING DEFINITIONS SHALL APPLY:**

(A) **THE MOUNTAIN LAKES SUBDIVISION:** Those portions of the property described on Exhibit "A" as are included in any section of the MOUNTAIN LAKES SUBDIVISION, as such sections are shown by plats of the record among the Plat Records of Erath County, Texas whether such plats are presently on record or are hereafter to be recorded, so long as such properties are bound by any subdivision promulgated by MOUNTAIN LAKES SUBDIVISION, its successors or assignees, which subdivision covenants and restrictions provide for the payment of assessments to the PROPERTY OWNERS ASSOCIATION OF MOUNTAIN LAKES RANCH.

(B) **PROPERTY OWNERS ASSOCIATION OF MOUNTAIN LAKES RANCH** (the "Association") the corporate name of the non-profit corporation designated by the various declarations of covenants, conditions and restrictions for the various sections of the Mountain Lakes Subdivision.

(C) **MEMBERSHIP:**

i). **OWNERSHIP OF ONE OR MORE LOTS:** The ownership of one or more lots in the Mountain Lakes Subdivision shall entitle the owner thereof to one membership in the Corporation. Members of the Corporation shall include all those persons or entities who are voting members or non-voting members of the Corporation as provided below.

ii). **SINGLE OWNERSHIP PER LOT:** For the purpose of these provisions, those persons who have purchased any of the lots in the MOUNTAIN LAKES SUBDIVISION under the provisions of any Contracts of Sale or Purchased with the Veterans Land Board of the State of Texas shall be considered as "members" of the Corporation, and the State of Texas shall not be considered as a member of the Corporation.

iii). **OWNERSHIP TITLE TRANSFER REQUIREMENTS:**

A person shall be considered as an owner of a lot in THE MOUNTAIN LAKES SUBDIVISION only after such person has received legal title to such lot and after a deed conveying title to that person has been recorded in the Real Property Records of Erath County, Texas

**(D) VOTING MEMBERS:**

Owners of lots in the MOUNTAIN LAKES SUBDIVISION who are:

- i) current (meaning not in default for more than sixty [60] days) in the payment of any and all assessments, dues, levies, fines and any other charges or financial obligations due to the Association; and
- ii) not otherwise in default or in violation of any of the Subdivisions' declarations of covenants, conditions and restrictions, rules and regulations, policies or guidelines governing THE MOUNTAIN LAKES SUBDIVISION.

**(E) NON-VOTING MEMBERS:**

Non-voting members of the Corporation shall be those members who are in arrears for more than sixty (60) days in the payment of any assessments, dues, charges, levies, fines or other financial obligation to the Association, or in default in the performance of any of the restrictions or obligations contained in any of the declarations of covenants, conditions and restrictions, rules and regulations, policies or guidelines governing THE MOUNTAIN LAKES SUBDIVISION.

## **ARTICLE THREE MEMBERS MEETINGS**

**3.01 LOCATION OF MEMBER MEETINGS:**

All meetings of the members shall be held at any place within the state as may be designated for that purpose from time to time by the Board of Directors.

**3.02 ANNUAL MEETINGS OF THE PROPERTY OWNER MEMBERS:**

The annual meetings of the members shall be held each year. The date of the meeting is at the discretion of the Board of Directors.

**3.03 NOTICE OF MEETINGS:**

Notice of the Members' meetings, stating the place, date, and hour of the meeting, and in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given in writing to each member entitled to vote at least ten (10) days but no more than thirty (30) days before the date of the meeting. Such notice shall be delivered personally, by mail or by any other means permitted by the Business Organizations Code, which may include, but is not limited to electronic or facsimile transmission. The notice will be addressed to the member at the address appearing on the books of the Corporation or given to the Corporation for the purpose of notice.

**3.04 SPECIAL MEETINGS:**

(A) BOARD INITIATED Special meetings of the Association members may be called at any time, for any purpose or purposes, by the President of the Board of Directors or by any two or more members of the Board. The notice of any special meeting of Members must state the purpose or purposes. Special members meetings must be called for a specific purpose, which purposes shall be identified in the notice of the meeting.

(B) **MEMBER INITIATED ASSOCIATION MEETINGS:** It shall be the duty of the President to call a special meeting of the Association upon presentation to the Secretary of a petition stating a request and proper purpose of the special meeting, which petition is signed by Members having not less than one-third (1/3) of the votes entitled to be cast at such meeting.

**3.05 QUORUM FOR ANNUAL AND SPECIAL MEMBERS MEETINGS:** The presence in person or by proxy of Members having ten percent (10%) of the votes entitled to be cast constitutes a quorum for transaction of corporate business. Once the presence of a quorum has been confirmed, business may continue despite any failure to maintain a quorum during the remainder of the meeting.

**3.06 VOTING QUALIFICATIONS:**

(A) **VOTE APPORTIONMENT:** Only persons listed as voting members on the date of the meeting shall be entitled to vote at member meetings. Any non-voting members may elevate their status to a voting member by curing any default no fewer than thirty (30) days prior to the stated date and time of the meeting. Votes shall be apportioned by lots, meaning each property owner shall be entitled to one vote for each lot owned

(B) **FRACTIONAL VOTE RULE:**

There shall be no fractional voting, but rather, if a lot is owned by two or more persons, that lot shall be entitled to only one vote and shall not be entitled to split that vote. The Board may require the Members to designate in writing which person will be the voting member to represent the Lot. A voting member may execute a written proxy granting to a director or another voting member the right to cast such voting member's vote at any meeting. A voting member may not grant a proxy to someone other than a voting member or a director.

**3.07 PRESIDING OFFICER:**

All meetings of the membership shall be presided over by the President of the Association, or in the absence of the President, the board member selected by the remaining members of the Board of Directors.

## **ARTICLE FOUR BOARD OF DIRECTORS**

**4.01 MANAGEMENT OF THE CORPORATION:**

The management of the corporation shall be vested in the Board of directors which shall have full power and authority to carry out the purposes of the Corporation and to do any and all lawful acts necessary or profitable thereto. The powers of the Corporation shall be exercisable by the Board of Directors or under its authority, and the action of the President of the Corporation shall be controlled by the Board of Directors, subject, however, to such limitations as are imposed by law, the Articles of Incorporation, the Covenants Conditions and Restrictions, or the By-Laws as to the actions to be authorized or approved by the members. The Board of Directors may, by contract or otherwise, give general limited special powers and authority to the officers and employees of the Corporation to transact the general business, or any special business of the



Corporation and may give powers of attorney to agents of the Corporation to transact any special business required or permitted by such authorization.

#### **4.02 NUMBER OF BOARD MEMBERS:**

The directors must be members of the Corporation. The authorized number of directors shall be five (5). To qualify to be elected or appointed as a director, the person must be a member of the Corporation entitled to vote. The number of directors may be increased or decreased from time to time by amendment to the By-Laws, but no decrease shall have the effect of shortening the term of any incumbent director. Any directorship to be filled by reason of an increase in the number of directors shall be filled by election at an annual meeting or at a special meeting of the Association members called for that purpose.

#### **4.03 BOARD MEMBER SELECTION AND TERMS**

##### **(A) BOARD MEMBER ELECTIONS:**

Directors shall be elected in the annual meeting by the voting members and the candidates receiving the most votes shall be elected.

##### **(B) TERM OF OFFICE:**

The term of office for each elected director shall be two (2) years and the terms shall be staggered so that no more than three terms shall expire in any year. The director terms begin immediately after the adjournment of the annual or special meeting in which they are elected. Elected board members shall hold office until their respective successors are elected, or until their death, resignation or removal. Directors serving their full terms shall remain in office until the adjournment of the annual or special members meeting in which they are removed or their successor is elected or as otherwise defined herein

##### **(C) REMOVAL OF DIRECTORS:**

Elected or appointed directors may be removed and replacements elected, with or without cause, by a vote of the majority of the voting members at any special meeting of Members. Any director who is in default for more than sixty (60) days in the payment of any assessment, dues, levy, charge, fine or other financial obligation to the Association or who is in violation of any of the Subdivisions' declaration of covenants, conditions and restrictions, rules and regulations, policies or guidelines governing the Mountain Lakes Subdivision may be removed by a majority vote of the other directors on the Board of Directors.

#### **4.04 BOARD VACANCIES**

Vacancies of the Board of Directors, other than those caused by a removal by a vote of the Members, shall be filled by a majority vote of the remaining directors, or by the sole remaining director. The Board of Directors has the authority to appoint any MOUNTAIN LAKES SUBDIVISION property owner to the board of directors to serve the remainder of any board member position vacated for any reason other than removal by the Members.

#### **4.05 MEETING LOCATION:**

Any meeting of the Board of Directors may be held at any location at the sole discretion of the Board as long as it is located within a one hundred (100) mile radius of the Mountain Lakes Subdivision. A regular meeting of the board of directors may be held without call or notice

immediately following each annual meeting of the membership of the Corporation, and at such other times as provided herein or by Texas law.

#### **4.06 SPECIAL MEETINGS OF THE BOARD**

##### **(A) SPECIAL BOARD MEETING:**

A special meeting of the Board of Directors for any purpose shall be called at any time by the President, or if the President is absent or unable or refuses to act, by any two directors. Written notice of the special Board of Directors meetings, stating the time and in general terms the purpose or purposes therefore, shall be mailed, personally delivered, sent by electronic or facsimile transmission, provided verbally or given by any other means allowed by the Business Organizations Code to each director not later than three (3) days before the day appointed for the meeting.

##### **(B) EMERGENCY BOARD OF DIRECTORS MEETINGS.**

A special emergency meeting of the board may be held at any time without written notice if required. The meeting shall not be held without the consent of all board members.

#### **4.07 QUORUM REQUIREMENTS:**

**(A) BOARD DECISION REQUIREMENTS:** A simple majority of the authorized directors shall be necessary to constitute a quorum for the transaction of business, except to adjourn as hereafter provided. Every act or decision done or made by a majority of the directors present shall be regarded as an act of the Board of Directors, unless a greater number is required by law or by the Articles of Incorporation.

**(B) BOARD OF DIRECTORS PROXIES:** A board member may assign his / her proxy to another board member which shall assign the authority to vote in place of the absent board member or members. Such proxy shall be granted in writing and presented at the opening of the board meeting in which the proxy is to be exercised. The proxy must include the date or dates the proxy may be used and any limitations placed upon the exercise of such privileges assigned by the proxy.

#### **4.08 ASSIGNMENT OF BOARD POWERS:**

Any action required or permitted to be taken by the Board of directors may be taken without a meeting and with the same force and effect as the unanimous vote of the Directors, if all of the members of the board shall individually consent in writing to such action.

#### **4.09 ADJOURNMENTS:**

A quorum of the directors may adjourn any directors' meeting to meet again at a stated hour on a stated day. Notice of the time and place where an adjourned meeting will be held need not be given to absent directors if the time and place is fixed at the adjourned meeting. In the absence of a quorum, a majority of the directors present at any directors' meeting, either regular, special or emergency may adjourn from time to time until the time fixed for the next regular meeting of the board.

#### **4.10 PRESIDING BOARD OFFICER:**

The President, or in the President's absence, any director selected by the directors present, shall preside at meetings of the Board of Directors. The Secretary of the Corporation or, in the

Secretary's absence, any person appointed by the presiding officer, shall act as Secretary of the Board of Directors.

#### **4.11 REIMBURSEMENT OF EXPENSE:**

##### **(A) REIMBURSEMENT OF APPROVED EXPENSES:**

Directors, Committee Chairpersons and Committee Members or any board authorized individual or vendor may receive reimbursement for actual expense incurred in the line of performing the duties of their office or responsibility if the expense is approved by the Board of Directors and is supported by valid receipts and documented justification of the expense incurred.

##### **(B) CASH ADVANCES:**

When deemed absolutely necessary by the majority of the Board of Directors cash advances may be issued to Directors or Committee Chairpersons to cover necessary purchases from vendors refusing to issue credit and will not accept credit cards and where reasonable alternative vendors can not be identified. Any cash advance shall be accounted for by valid receipts and return of unused funds presented to the Board or its designated agent in no more than ten (10) working days of granting the advance. Visual verification of the goods purchased or the services provided by two (2) or more member of the Board of Directors is required for each purchase of this nature.

#### **4.12 AUTHORIZATION FOR PAYMENT OF FINES:**

The board of directors may authorize the Corporation to pay expenses incurred by, or to satisfy a judgment or fine rendered or levied against, present or former Directors, officers, or employees of this Corporation as provided by article 1296.22A of Title 32 of the Miscellaneous Corporation Act of the State of Texas or by the Business Organizations Code.

## **ARTICLE FIVE CORPORATE OFFICERS**

#### **5.01 BOARD OFFICES:**

**(A) OFFICERS OF THE CORPORATION:** The officers of the Corporation shall be President, a Vice-President, Secretary, Treasurer, and such assistants and other officers as the Board of directors shall from time to time determine. Any two offices may be held by one person. All officers shall hold office at the pleasure of the Board of Directors and may be removed from office at any time without cause or reason by a majority vote of the remaining or other directors.

##### **(B) BOARD OF DIRECTORS OFFICERS ELECTION:**

All officers of the Board shall be elected to office by the members of the seated Board of Directors. Officer's term and tenure will end at the adjournment of any Association annual meeting. The new board consisting of existing and newly elected board members shall conduct a special Board of Directors meeting to elect a new slate of officers within no more than ten (10) days after the adjournment of any annual meeting.



**(C) DIRECTORS APPOINTED BY THE BOARD:**

Appointed members of the Board of Directors shall have the same status as those Directors elected by the voting members at an annual meeting. The resignation, removal or death of a board member resulting in the appointment of one or more board member shall not create in and of itself the requirement to conduct an election of all new officers.

**5.02 POWERS OF THE BOARD OF DIRECTORS:**

The officers of the Corporation shall have the power and duties generally ascribed to the respective offices, and such additional authority or duty as may from time to time be established by the Board of Directors.

**ARTICLE SIX  
ARCHITECTURAL CONTROL COMMITTEE**

**6.01 ARCHITECTURAL CONTROL COMMITTEE MEMBERS SELECTION AND TERMS**

(A) The three (3) Architectural Control Committee members designated by Article IV of the declarations governing the sections of the Mountain Lakes Subdivision shall be elected in the annual Association members meeting. Those candidates who receive the most votes are elected.

**(B) TERM OF OFFICE:**

The term of office for each elected Architectural Control Committee member shall be two (2) years. Elected committee members shall hold office until their respective successors are elected, or until their death, resignation, or removal. Terms shall be staggered so that no more than two (2) member terms shall end in any one year.

**(C) REMOVAL OF ARCHITECTURAL CONTROL COMMITTEE MEMBERS:**

Committee members may be removed with or without cause and a replacement elected by a majority vote of the Board of Directors or by a majority vote of the Owners.

**6.02 VACANCIES**

Vacancies on the Architectural Control Committee caused by any reason other than removal by vote of the Owners shall be filled by a majority vote of the Board of Directors. Such appointed committee member will serve the unexpired term of his predecessor.

**6.03 COMMITTEE DECISIONS:**

A simple majority of the committee members shall decide all issues and matters presented to the Committee.

**6.04 VIOLATION FINES**

The Association, through the Board of Directors, has the authority to levy fines for violations of the Covenants, Conditions and Restrictions, rules and regulations, policies and guidelines governing the MOUNTAIN LAKES Subdivision.

## **ARTICLE SEVEN EXECUTION OF INSTRUMENTS**

### **7.01 EXECUTION OF INSTRUMENTS:**

The Board of Directors may, in its discretion, authorize an officer or officers, or other person or persons, to execute any corporation instruments or documents, or to sign the corporate name without limitation, except where otherwise provide by law, and such executions or signatures shall be binding on the Corporation. Any such powers granted to any officer or other person shall require a formal resolution defining the powers and limitations granted and a majority Board of Directors approval.

## **ARTICLE EIGHT MISCELLANEOUS**

### **8.01 AUTHORITY TO HIRE EMPLOYEES AND AGENTS:**

The Board of Directors, on behalf of the Corporation, shall have the authority to employ such agents or employees as the Board of Directors shall deem appropriate for carrying out the purpose of the Corporation.

### **8.02 MANAGEMENT OF CORPORATE FUNDS:**

There shall be no initiation fees for membership in the Corporation. The Board of Directors shall have discretion over the disposition of any and all assessments, dues, levies and/or charges paid as provided for in any of THE MOUNTAIN LAKES SUBDIVISION Covenants, Conditions, and Restrictions imposed on any lot in THE MOUNTAIN LAKES SUBDIVISION. Subject to the approval of the majority of the voting members at a meeting of the membership duly convened, by the Board of Directors may increase or decrease the assessments described in the subdivision Covenants, Conditions, and Restrictions, affecting any lot of THE MOUNTAIN LAKES SUBDIVISION as shown by recorded instrument filed for record in Erath County, Texas. All of the provisions relating to such increase and decrease, and to such assessments, which are shown by recorded instruments affecting any lot of THE MOUNTAIN LAKES SUBDIVISION, or which may be hereafter filed as to any subsequently created section of THE MOUNTAIN LAKES SUBDIVISION are hereby incorporated herein by reference as if stated in full.

### **8.03 ESTABLISHMENT OF COMMITTEES:**

The Board of Directors shall have the authority to appoint such committees to assist it in the managing of the Corporation as it shall deem appropriate, and to appoint to such committees either members or non-members of the Corporation. Such committees shall be of such number and serve such functions as the Board of Directors may determine; however, there shall always be seated an Architectural Control Committee as is described in the MOUNTAIN LAKES SUBDIVISION COVENANTS RESTRICTIONS, AND CONDITIONS affecting any and all sections of THE MOUNTAIN LAKES SUBDIVISION as shown by recorded instruments in Erath County.

### **8.04 PROHIBITED PAYMENT FOR MEMBERS SERVICES:**

The Corporation shall not enter into any contract to pay and shall not pay any salary or other remuneration to any Officer, Director, Committee Chairperson or Committee Member for their services as such, or in any other capacity regardless of the capacity in which they may act. However, nothing in this section shall prevent the corporation from reimbursing any officer or director for actual expenses incurred by such director or officer in the performance of his duties. Requests for reimbursements must be for expenses previously approved by the board and must be accompanied with valid receipts and a full description of the expense incurred. Property owners not holding office or serving on committees are entitled to bid on any contract for services or goods required by the community.

#### **8.05 CORPORATE CASH ACCOUNT MANAGEMENT:**

##### **(A) BANK ACCOUNTS AND WITHDRAWALS:**

Any and all funds of the corporation shall be deposited in bank accounts in the Corporation's name. All demand withdrawal instruments and checks on such bank accounts shall bear the signature of at least two authorized persons, the identity of whom shall be made by the Board of Directors, and who may, but do not have to be members of the Corporation.

##### **(B) RESERVE FUNDS:**

The Board of Directors may establish and maintain a cash reserve fund to be retained for unexpected or emergency expenditures.

##### **(C) INVESTMENT OF BANK FUNDS:**

Surplus cash in the Association's operating and reserve bank accounts shall be placed in interest bearing money funds that are fully insured, pose minimal risk of loss, the profits thereof shall be applied to the reserve account, unless otherwise directed by the Association's accountant.

#### **8.06 ESTABLISHMENT OF DISCRETIONARY FUND**

The board of directors is authorized to establish a discretionary fund not to exceed three thousand dollars (\$3,000) to be used for expenditures not to exceed two thousand dollars (\$2,000) and requiring immediate payment upon completion of services rendered or goods purchased as well as other expenses requiring prompt payment beyond the scope of the normal invoice payment cycle. Each use of discretionary funds requires the majority approval of the Board of Directors and the signature of two board members on all checks issued. The Board of Directors shall oversee the discretionary fund and establish procedures to define its control and use. Each disbursement of this fund shall conform to the same documentation requirements as those established for payment of invoices processed through the normal invoice payment procedures.

#### **8.07 BY-LAW AMENDMENTS:**

The power to alter, amend, or repeal these By-Laws is vested in the board of directors, subject to repeal or change by the affirmative vote, at a special meeting of the members, of a majority of the total Members entitled to vote (not a majority of a quorum).

IN WITNESS WHEREOF, the undersigned have caused this instrument to be executed  
on the 10 day of Sept, 2008.

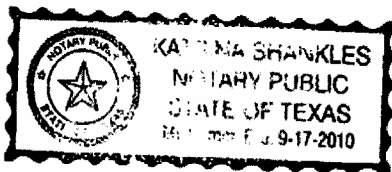
**PROPERTY OWNERS ASSOCIATION OF  
MOUNTAIN LAKES RANCH, a Texas non-profit  
corporation**

By: [Signature]  
Its: Pres.

STATE OF TEXAS     §  
                             §  
COUNTY OF ERATH   §

BEFORE ME, the undersigned authority, a Notary Public in and for said county and state, on this day personally appeared Tim Shankfield, President of Property Owners Association of Mountain Lakes Ranch, a Texas non-profit corporation, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of said entity.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 10 day of September, 2008.



Katrina Shankles  
Notary Public in and for the State of Texas

My Commission Expires: 9-17-2010

**AFTER RECORDING RETURN TO:**  
Riddle & Williams, P.C.  
3710 Rawlins Street, Suite 1400  
Dallas, Texas 75219

g/bylaws.amd/mountainlakes-final

86852  
FILED FOR RECORD  
At 12:15 O'clock P M  
SEP 10 2008

GWINDA JONES, COUNTY CLERK  
ERATH COUNTY, TEXAS  
BY [Signature] DEPUTY



Rules for Mountain Lakes Property Owners Association  
Governing  
RV Storage and RV Park Usage

Adopted by Mountain Lakes POA on \_\_\_\_\_  
And Amended In \_\_\_\_\_

**Section 1: Introduction:** The responsibility for operating and maintaining the facilities known as the RV Park and RV Storage facility belongs to the Mountain Lakes Property Owner Association (POA) as it represents the interests of all property owners. For the common good of all property owners, the RV Committee of the POA maintains and enforces these rules to insure fair and equitable use of these facilities by all members. The towing of non-compliance vehicles will be also governed by this policy. All actions taken pursuant to these Rules must be in accordance with Texas law. Where any conflict between the Rules and Texas law exists, Texas law will govern.

**Section 2: General Rules**

1. All Mountain Lakes property owners and their guests are responsible for upholding and enforcing these rules. Any violation of these rules should be reported to the RV Committee chairperson or Committee designee. (See Appendix F – Contact Sheet)
2. Notice will be given orally if possible and written through a return receipt letter. However, no additional Actual Notice or the mailing of Written Notice is required when Written Notice was attached to an unauthorized vehicle and the owner or operator of the vehicle leaves the vehicle in another location where parking is unauthorized for the vehicles according to the notice [012(d)] (See Appendix G, Chapter 684, Texas Transportation Code).
3. All Mountain Lakes property owners are responsible for communicating in advance any intention outside the normal realm set forth in this document to the RV Committee-Chairperson for review and approval/disapproval by the Committee.
4. Mountain Lake Property Owners will hold harmless any and all of the Mountain Lake RV Committee members and the POA for enforcing the rules of RV Storage facility and RV Park.
5. These rules and contact information for all RV Committee members shall be continuously available on the internet web site and will be published at least annually in the newsletter.
6. Any questions about the rules may be addressed by contacting the RV Committee Chairperson or Committee designee or by sending a written inquiry to the RV Committee at the address listed in Appendix F – Contact Sheet.

**Section 3: RV Storage Rules**

1. The RV Storage area is for the exclusive use of Mountain Lakes property owners who are in good standing with the POA. Access to the RV Storage Area will be denied in response to non-payment of annual POA dues.

2. Types of vehicle allowed to be stored in the Mountain Lakes RV Storage Facility (aka Storage) are:
  - Travel/ Recreational Vehicle
  - Pop-Up Trailer
  - Boat/Watercraft (i.e. SeaDo) (Must be on a trailer)
3. The number of recreation vehicles stored per property owner household will be limited to two (2) in any combination.
4. All recreation vehicles must have a current registration with the State of Texas (or residential state) according to Motor Vehicle laws of the state.
5. All recreation vehicles must be road ready, that is, in working condition.
6. All recreation vehicles must be properly registered with Mountain Lakes POA. This form may be found in the mailbox at the storage compound or on the POA web site. It may be returned by
  - a. Placing it back into the mail box at the RV Storage area
  - b. Via US Postal Service to the contact names listed on the form
  - c. Any RV Committee Member
7. All properly registered storage items will receive a Recreational Vehicle tag issued by a member of the RV Committee after confirmation by the finance committee that the member is current with POA dues for that year. This sticker will be displayed on the back left bumper or affixed on to the vehicle it self in the location corresponding with the back left side.
8. Requests to store items of a type not listed above or to exceed the number of items must be made in writing to the Chairperson of the Mountain Lakes RV Committee for review and approval by the committee. The committee decision will be made within 30 days of receipt of request.

**Section 4. RV Park Rules**

1. Definitions for length of stay.
  - a. A weekend may be up to 5 nights
  - b. A vacation is up to 14 continuous nights
  - c. An extended stay is anything over 14 continuous nights
2. All property owner immediate families in good standing are entitled to stay free for 5 nights stays without limitation during the year.
3. All property owner immediate families are entitled to one vacation stay per calendar year of up to 14 continuous nights with out charge.
  - a. The RV Committee must be notified in advance of an intention to use the park for a vacation.
  - b. Vacation stays may not be accumulative in nature
  - c. Excess time may be arranged at a charge of \$15.00 per night up to 30 nights.
  - d. The completed and approved approval form must be displayed on the vehicle while in the RV Park.
4. Any property owner immediate family needing an extended stay during construction of their primary resident on their Mountain Lake property may do so with the following guidelines

- a. The owner must notify the RV Committee in advance requesting permission to use the park on an extended stay and specifying reason for request.
  - b. The completed and approved approval form must be displayed on the vehicle while in the RV Park.
  - c. The owner must have received approval by the Architectural Committee of their construction plans and have a confirmed start date and estimated completion date from their builder.
  - d. Owner will pay the Mountain Lakes POA on a month-to-month basis at a rate of \$5.00 per night (\$150.00) based on proposed use over and above the first 14 days to offset the cost of utilities. Amount will be due and payable in advance the first of each calendar month for the duration of the owner's stay. Non-payment will be addressed following the procedures outlined in Section 5 below. Checks should be made out to Mountain Lakes Property Owners Association and mailed to the Finance Committee at  

Mountain Lakes Property Owner Association  
Attention: Finance Committee  
PO Box 189, Bluff Dale, Texas 76433-0189
  - e. Stays that exceed 6 months. Should extenuating circumstances arise; the property owner will submit a letter to the RV Committee.
  - f. The committee has the right to limit the number of extended stays that occupy space within the park at any one time.
  - g. The committee reserves the right to assign the space occupied for any extended stay.
- 5. All RVs will be placed in the storage compound after use. At no time will a RV be allowed to remain parked unoccupied without permission from the RV committee.
  - 6. The speed limit in the park/storage area is 5 mph for all vehicles
  - 7. The garbage dump is for the use of campers only. No Mountain Lake resident shall use the dump for personal use.
  - 8. Quiet Time in the park will be from 10:00 pm to 7:00 am Sunday – Thursday. Hours for Friday and Saturday will be from midnight to 8 am. For holidays that fall on a Monday, Sunday quiet time hours will be the same as Saturday.
  - 9. All Property owners residing in the park will be held liable for their pets. Pets should be on a leash or under voice command and must be supervised at all times. Pet owners are responsible for policing the area in order to keep the park clean. At no time will the Mountain Lake POA or the RV Committee be held liable for actions of a pet.
  - 10. All MT Lakes Property Owners, with RV committee approval, are allowed one (1) Guest RV in a hook-up parking pad (excluding holiday weekends) and cannot exceed a 5-night stay. This occupancy will not be in addition to the owner occupying a space, rather in lieu of the owner occupation so that only one space per owner at any one time will be allowed.



11. Owners may share a site with Guests thus having multiple RVs occupying a single site.
12. Tent camping is allowed, but will be confined to the MT Lakes Property Owners' campsite (pad). Pad areas will be reserved for RV vehicles use only. Any additions to the RV Park designed for tent campers and/or popup campers will be designated as such and no RV vehicles will be allowed to occupy those designated sites.

### **Section 5. Violations of RV Storage and RV Park Rules**

The RV Committee will address violations of the rules in the following manner.

#### **For RV Storage Violations:**

1. A letter will be sent to the owner of the offending recreation vehicles. In the letter, a time frame for correcting the problem will be given. The time frame shall be no less than 14 days from the date of the letter. (See sample letter number one)
2. If the violation has not been corrected within the allotted time frame, a "return receipt required" letter will be sent with a time frame for a second chance to correct the problem. The time frame shall not be more than 15 calendar days after the postmark of the letter. (See sample letter two)
3. Should no response be received or the correction not made, a commercial business dealing with towing will be called to remove the offending item into a Vehicle Storage Facility that is off site.
4. The recreation vehicles/trailer owner will be held responsible for all charges incurred with towing and storage.
  - a. Cost for towing could range from \$100 – \$300 dollars depending on the type of vehicle being towed and the towing company responding
  - b. Administrative fine may be levied in the amount of \$50.
  - c. Additional fines may be levied should the vehicle not be properly registered with the POA in the amount of \$50
5. All Violations will conform to Texas Chapter 684, Texas Transportation Code found in Appendix G.

#### **For RV Park Violations:**

6. An oral notification/phone call will be made to the owner of the offending recreation vehicle. The owner will be given a time frame for correcting the problem. The time frame shall be no more than 7 days from the date of the call.
7. If the violation has not been corrected within the allotted time frame, a "return receipt required" letter will be sent with a time frame for a second chance to correct the problem. The time frame shall not be more than 15 calendar days after postmark. (See sample letter two)
8. Should no response be received or the correction not made, a commercial business dealing with towing will be called to remove the offending item into a secure location within the storage compound.
9. The recreation vehicles/trailer owner will be held responsible for all charges incurred with towing and storage.



- a. Cost for towing could range from \$100 – \$300 dollars depending on the type of vehicle being towed and the towing company responding
  - b. Administrative fine may be levied in the amount of \$50.
  - c. Additional fines may be levied should the vehicle not be properly registered with the POA in the amount of \$50
10. All Violations will conform to Texas Chapter 684, Texas Transportation Code found in Appendix G.

Committee Governance

- 1 The RV Committee shall be governed by the Texas Transportation Code Chapter 684, which serves as guidance to handling violations of these rules.
- 2 The RV Committee will post signs stating that the POA has the right to tow any vehicle in non-compliance after proper notification has been given.
- 3 The RV Committee shall have the right to investigate and approve a set number of contractors to perform this action.
- 4 The RV Committee and Mountain Lakes POA when causing the removal of an unauthorized vehicle is not liable for damages arising from the removal or storage of the vehicle is the vehicle was removed in compliance with Chapter 684 of the transportation code and is removed by a towing company insured against liability for property damage incurred in towing a vehicle and stored in a vehicle storage facility insured against liability for property damage incurred in storing a vehicle.
- 5 Per regulations under this Chapter, a minor variation of a required or minimum height of a sign or lettering is not a violation of this chapter.
- 6 Copies of Chapter 684, Texas Transportation Code governing towing may be obtained from members of the RV committee.
- 7 Collection of all monies owed to the POA shall comply with the process set force by the Finance Committee.

## Appendix A: Sample Letter for first time violations:

Dear \_\_\_\_\_

In order to maintain the RV Storage Facility/Park guidelines and policies, it has been determined that your vehicle, \_\_\_\_\_, is in non-compliance with the Rules and Regulations as stated in the By Laws dated MM/DD/YY.

Please correct the above condition by  
\_\_\_\_\_  
\_\_\_\_\_

If you have any questions regarding the regulations, please don't hesitate to contact  
\_\_\_\_\_

Thank you

Mountain Lake RV Committee  
  
\_\_\_\_\_

## **Appendix B: Sample Letter for second time violations**

Dear \_\_\_\_\_

The vehicle in question, \_\_\_\_\_ continues to be in violation of the Mountain Lakes RV Storage Facility regulations

You must bring your vehicle in compliance, or the RV Committee will take corrective action 15 days from the postmark of this letter pursuant to Texas State policy for Texas Transportation Code— Chapter # 684. Should you not comply, corrective action may include removal of your vehicle into a storage facility outside of Mountain Lake facilities by a professional agent.

The 24 hour number of this service provider is: \_\_\_\_\_

If you have any questions about the regulations, please contact \_\_\_\_\_.

Thank you

Mountain Lake RV Committee

## Appendix C: Definitions and Glossary

Term	Definition
Actual Notice	Oral notice given in person to the owner/operator of a vehicle in violation of this Policy that the vehicle will be owed at the owner's or operator's expense if not removed or notice in writing of the same delivered in person to the owner/operator of a vehicle in violation of this Policy.
Towing Company	A person operating a tow truck registered under Chapter 1135, Acts of the 70 <sup>th</sup> Legislature, regular session, 1987 (Article 6687-9b, Vernon's Texas Civil Statutes). This term includes the owner, operator, employee, or agent of a towing company, but does not include a political subdivision of the State.
Vehicle Storage Facility	A facility operated by a person licenses under Article 6687-9a, Texas Revised Statutes
Written Notice	<p>For Written Notice under this Policy to be effective, it must meet the requirements of both statements below:</p> <p>A conspicuous written notice attached to a windshield of a vehicle in violation of this policy or if the vehicle has no windshield, attached to a conspicuous part of the vehicle that states or details the following:</p> <ol style="list-style-type: none"> <li>1. The vehicle is not authorized to be parked where it is</li> <li>2. a description of all other unauthorized parking areas on the property</li> <li>3. The vehicle will be towed at the owner's or operator's expense if it remains where it is parked and</li> <li>4. the area code and number of a telephone that is answered 24 hours a day to enable to the owner/operator of the vehicle to locate same if towed</li> </ol> <p>AND</p> <p>Notice must be mailed to the owner of the vehicle by Certified mail; return receipt requested to the last address shown for the owner according to vehicle registration records of the relevant state. This notice must:</p> <ol style="list-style-type: none"> <li>1. State that the vehicle is in a space in which the vehicle is not authorized to park</li> <li>2. Describe all the other unauthorized parking areas</li> </ol>

	<p>on the property</p> <p>3. Contain a warning that the unauthorized vehicle will be towed at the expense of the owner/operator the vehicle is it is not removed from the property before the 15<sup>th</sup> day after the past mark date of the notice and</p> <p>4. State the area code and number of a phone that is answered 24 hours a day to enable the owner operator to locate the vehicle if towed.</p>
MLPOA	Mountain Lake Property Owners Associations
Recreation Vehicles (RV)	A vehicle, such as a camper or motor home, used for traveling and recreational activities. This may include Personal Watercraft, All Terrain Vehicles, Campers, Pop Ups Trailers, Travel Trailers, 5 <sup>th</sup> Wheel Vehicles and other Trailers used for recreational purposes.
Trailer	A transport vehicle for boats, watercraft, PWCs and ATVs designed to be hauled by a car or truck.
Travel Trailer-	A vehicle, such as a camper or motor home, used for traveling and recreational activities.
Pop-Up Trailer	A furnished vehicle drawn by a truck or automobile and used when parked as a dwelling. This type of vehicle is characterized by its compact size that expands in height and length through un folding the top and sides.
5 <sup>th</sup> Wheel	A type of RV that is characterized by a connection within the bed of the vehicle that will pull it.
Boat w/ trailer	A relatively small, usually open water capable craft of a size that might be carried aboard a ship.
Watercraft w/ trailer	A lightweight vessel usually less than 16 ft (5 m) long that uses an inboard water jet pump, powered by an internal-combustion engine, as its primary source of propulsion.
ATV w/ Trailer	All Terrain Vehicles that will be located on a trailer
PWC w/ Trailer	Personal Water Craft such as a Sea Do that is operated by a person or persons sitting, standing, or kneeling on it, rather than inside it, as in a conventional boat.

## Appendix D: Mountain Lake Storage Registration Form

Please fill out and mail to:

Mountain Lakes Property Owners Association  
Access Committee  
PO Box 189, Bluff Dale, TX 76433

Name: \_\_\_\_\_ Date: \_\_\_\_\_  
Street \_\_\_\_\_  
City \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone number: \_\_\_\_\_  
Alt Phone #: \_\_\_\_\_

Lot # \_\_\_\_\_ Access Card # \_\_\_\_\_

### Type of Item to be stored:

- ☐ Recreational Vehicle
- ☐ Motor Home
- ☐ Pop Up Camper
- ☐ Utility Trailer
- ☐ Boat
- ☐ Other: \_\_\_\_\_

### License number and State Registered

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Finance check: Dues current? Y ☐ N ☐

Reviewed : \_\_\_\_\_

mm/dd/yy \_\_\_\_\_

☐ Approved

☐ Disapproved

If disapproved, reason: \_\_\_\_\_

Sticker # Issued: \_\_\_\_\_



## Appendix E: Mountain Lake Request for Extended Stay Form

Please fill out and mail to:

Mountain Lakes Property Owners Association, Attn: RV Park Committee, PO Box  
189, Buff Dale, Texas 76433-0189

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Phone number: \_\_\_\_\_

Alt Phone #: \_\_\_\_\_

Lot # \_\_\_\_\_

Requested Dates for stay: From: \_\_\_\_\_ To: \_\_\_\_\_  
mm/dd/yy mm/dd/yy

Purposed of stay:

☐ Extended Vacation

☐ Construction Date of ACC approval: \_\_\_\_\_  
mm/dd/yy

Date for Construction start: \_\_\_\_\_  
mm/dd/yy

Date for Construction end: \_\_\_\_\_  
mm/dd/yy

☐ Other

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Finanee check: Dues current? Y ☐ N ☐

Reviewed : \_\_\_\_\_  
mm/dd/yy

☐ Approved

☐ Disapproved

If disapproved, reason:

\_\_\_\_\_  
\_\_\_\_\_

*This form must be displayed for the entire duration of stay*

**Appendix F: Contact Sheet for RV Committee Members**

Pam & Jeff Bush	972-492-2339 972-365-0631 (c)	<u>PAS146@Hotmail.com</u> <u>JCB289@hotmail.com</u>
Colisa and Roy Gillespie		<u>colisa.gillespie@ngc.com</u> <u>Roy.A.Gillespie@LMCO.com</u>
Penny and Tony West		<u>PLwest@Cisco.com</u> <u>Anthony.West@verizon.com</u>
Marshal Goldberg		<u>Marshall.Goldberg@sbcglobal.net</u>
Kerry Strange		<u>kerrystrange@sbcglobal.net</u>
Phyllis and George McGrath		<u>Magrathg.p@juno.com</u>
RV Committee	Mountain Lakes POA Attention: RV Committee PO Box 189 Buff Dale, Texas 76433-0189	



## Appendix G

### LEGAL OVERVIEW Chapter 684. Texas Transportation Code

1. A Property Owners' Association may, without the consent of the owner or operator of an unauthorized vehicle, cause the vehicle and any property on or in the vehicle to be removed and stored at a vehicle storage facility at the vehicle owner's or operator's expense if
  - A. The appropriate signs have been posted for at least 24 hours and remain installed; and
  - B. The owner gives actual notice that the vehicle will be towed at the owner's or operator's expense if it is not removed; or
  - C. Appropriate written notice is given in accordance with the statute; or
  - D. The vehicle is left in violation of 684.011; or
  - E. The vehicle is in or obstructing a portion of a paved driveway or abutting public roadway used for entering or exiting the Property.
2. A vehicle is in violation of Section 684.011 if:
  - A. It obstructs a vehicular traffic aisle, entry or exit to the Property;
  - B. It prevents a vehicle from exiting a parking space on the Property;
  - C. It is in or obstructs a properly marked fire lane; or
  - D. It is in a parking space properly designated for the exclusive use of a vehicle transporting a disabled person and does not have the appropriate license plates or parking placard authorizing such parking.
3. A Property Owners Association who causes the removal of an unauthorized vehicle is not liable for damages arising from the removal or storage of the vehicle if the vehicle
  - A. Was removed in compliance with Chapter 684 of the Transportation Code; and
  - B. Is
    - 1) Removed by a towing company insured against liability for property damage incurred in towing a vehicle; and
    - 2) Stored by a vehicle storage facility insured against liability for property damage incurred in storing a vehicle.
4. Civil Liability
  - A. A towing company or Property Owners Association who violates this chapter is liable to the owner or operator of the vehicle that is the subject of the violation for
    1. Damages arising from the removal or storage of the vehicle; and
    2. Towing or storage fees assessed in collection with the vehicle's removal or storage.
  - B. A vehicle owner or operator is not required to prove negligence of a Property Owners Association or towing company to recover under the section above
  - C. A towing company or Property Owners Association who intentionally, knowingly or recklessly violates this chapter is liable to the owner or operator of the vehicle that is

- the subject of the violation for \$300 plus three times the amount of fees assessed in the vehicle's removal, towing, or storage
- D. In a suit brought under this chapter, the prevailing party is entitled to recover reasonable attorneys' fees.
5. Fine: A violation of this chapter is punishable by a fine of not less than \$200 Or more than \$500.
6. Injunction; A violation of this chapter may be enjoined under Subchapter E, Chapter Business & Commerce Code.
7. A minor variation of a required or minimum height of a sign or lettering is not a violation of this chapter.

**Mountain Lakes**  
**Access Card Request Form**

Please fill out and mail to:  
Mountain Lakes Ranch Property Owners Association  
Attn: Access Committee  
PO Box 189  
Bluff Dale, TX 76433

=====

**RESIDENT INFORMATION:**

Name \_\_\_\_\_ Date \_\_\_\_\_

Street \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Phone number: \_\_\_\_\_

Alt Phone #: \_\_\_\_\_

Lot #: \_\_\_\_\_ Current Card #s: \_\_\_\_\_

**REASON FOR REQUEST:**

LIMIT 2 CARDS PER FAMILY

☐ NEW OWNER

☐ REPLACEMENT CARD, lost card # \_\_\_\_\_

☐ EXTRA CARD

Owners will not be issued extras or replacements while two or more cards are still active. New owners are allowed one free card and one extra. Replacement or extra cards will cost \$20 each. Please remit fees as applicable.

As a property owner, I understand it is my responsibility to report lost or stolen access cards to the Mountain Lakes Access Card Committee.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

\_\_\_\_\_ for CMA use only \_\_\_\_\_

Finance check: Dues paid? Y ☐ N ☐

Review date: \_\_\_\_\_ ☐ Approved ☐ Disapproved

If disapproved, reason: \_\_\_\_\_

Card # Issued: \_\_\_\_\_