

THE STATE OF TEXAS

§

KNOW ALL MEN BY THESE

PRESENTS:

COUNTY OF PALO PINTO §

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
SPORTSMAN'S WORLD  
(RECREATIONAL FACILITIES)

THAT this Declaration is made on the date hereinafter set forth by LANDAR CORPORATION, a Texas corporation, of Harris County, Texas, acting-herein by and through its duly authorized officers, (hereinafter referred to as "Declarant").

W I T N E S S E T H

WHEREAS, Declarant is the present owner of that certain tract of land in Palo Pinto County, Texas, which is more particularly described on Exhibit "A" attached hereto and made a part hereof for all purposes, which tract of land has been set aside for development as a residential subdivision to be known as SPORTSMAN'S WORLD, (hereinafter referred to as the "Subdivision"); and

WHEREAS, it is deemed to be in the best interests of Declarant and any other persons who may purchase property in the Subdivision, that there be established and maintained a uniform plan for the improvement and development of the Subdivision as a highly restricted and modern residential subdivision of the highest quality;

WHEREAS, Declarant proposes (but shall not be obligated) to construct, at its sole cost and expense, private roads, Community Lodge, swimming pool, tennis courts, parks, boat ramps (subject to Brazos River Authority approval), landing strip (subject to Federal Aviation Administration approval) and other recreational facilities (hereinafter referred to as "Recreational Facilities") upon certain designated Recreational Facilities Tracts for the exclusive use, benefit and enjoyment of all the owners of residential Lots and/or Living Units within the Subdivision; and

WHEREAS, Declarant does hereby desire to assess and equally apportion all expenses of operation, improvement, replacement, and maintenance of the Recreational Facilities Tracts and the Recreational Facilities among all the owners of residential Lots and/or Living Units within the Subdivision.

NOW, THEREFORE, Declarant hereby adopts and establishes the following restrictions covenants and conditions and declares that all of the residential properties hereinafter described as being within the Subdivision shall be held, sold and conveyed subject to the following easements, restrictions, covenants, conditions, liens and charges, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of said real property regardless of whether or not said easements, restrictions, covenants, conditions, liens and charges are set out in full or by reference in any contract, deed or other instrument executed with reference to residential property within the Subdivision. These easements, covenants, restrictions and conditions shall run with said real property and be binding upon all parties having or acquiring any right, title, or interest in said real property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

## ARTICLE I DEFINITIONS

Section 1. "Association" shall mean and refer to SPORTSMAN'S WORLD RECREATIONAL ASSOCIATION, INC., a Texas non-profit corporation, its successors and assigns.

Section 2. "Subdivision" shall mean and refer to that certain tract of land in Palo Pinto County, Texas, which is more particularly described on Exhibit "A" attached hereto and incorporated herein, and such additions as may hereinafter be brought within the jurisdiction of the Association.

Section 3. "Declarant" shall mean and refer to LANDAR CORPORATION, its successors and assigns, if such successors or assigns are designated in writing by LANDAR CORPORATION as successors or assigns of all or part of the rights of LANDAR CORPORATION as set forth in this Declaration.

Section 4. "Lot" shall mean and refer to any residential plots of land located within the Subdivision, as hereinafter defined, which Lots have been specifically identified by means of a survey and an accompanying metes and bounds description or by a plat recorded in the Map Records of Palo Pinto County, Texas.

Section 5. "Living Unit" shall mean and refer to any structures which are designed and intended for occupancy and used as a residence by one person, by a single family, or by persons living together as a single housekeeping unit, including but-not limited to condominiums, apartments, townhouses and detached houses. If any structure contains more than one (1) condominium, apartment or townhouse, then each condominium, apartment or townhouse in such multi-unit structure shall be considered as a separate Living Unit.

Section 6. "Member" shall mean and refer to every person or entity who holds a membership in the Association.

Section 7. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any Lot or Living Unit which is a part of the Subdivision, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation. The term "Owner" shall, however, include any mortgagee or lien holder who acquires fee simple title to any Lot or Living Unit through judicial or non-judicial foreclosure.

Section 8. "Recreational Facilities" shall mean and refer to all existing and subsequently provided improvements upon or within the 'Recreational Facilities Tracts, except those as may be expressly excluded herein. By way of illustration, Recreational Facilities may include, but not necessarily be limited to, the following: structures for recreation, storage or protection of equipment; private roads, Community Lodge, swimming pool, tennis courts, parks, boat ramps (subject to Brazos River Authority approval), landing strip (subject to Federal Aviation Administration approval); and other similar and appurtenant improvements.

Section 9. "Recreational Facilities Tracts" shall mean and refer to that portion of the Subdivision owned or to be owned by the Association for the common use and enjoyment of the Members of the Association and shall consist of the tracts or parcels of land, upon which Declarant proposes to construct the above-mentioned Recreational-Facilities.

## ARTICLE II SPORTSMAN'S WORLD RECREATIONAL ASSOCIATION, INC.

Section 1. Duties and Powers. In addition to the duties and powers enumerated in its Articles of Incorporation and By-Laws, or elsewhere provided for herein, and without limiting the generality hereof, the Association shall also discharge those functions necessary to the general maintenance and operation of the Recreational Facilities Tracts and the improvements thereon. The Board of Trustees of the Association shall be empowered to oversee the activities of the Association to such an extent as they may take whatever reasonable action they, in their sole discretion, deem necessary to provide for the upkeep and aesthetic appearance of the Recreational Facilities Tracts and Recreational Facilities for the common benefit of all the members of the Association.

Section 2. Membership. Every person or entity who is a record Owner of any of the Lots and/or Living Units which are subject to assessment by the Association 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. No Owner shall have more than one membership. Membership shall be appurtenant to and may not be separated from ownership of the Lot and/or Living Unit which is subject to assessment by the Association.

Other lands may hereafter be annexed into the jurisdiction of the Association in the manner herein described. If annexed, the Owners of Lots and/or Living Units on the lands so annexed, as well as all Owners subject to the jurisdiction of the Association, shall be entitled to the use and benefit of all Recreational Facilities Tracts that may become subject to the jurisdiction of the Association as a result of such annexations and the facilities thereon, and shall be entitled to the use and benefit of the maintenance fund, herein above set forth, provided that such Lots and/or Living Units must be impressed with and subject to an annual maintenance charge imposed hereby, and further, such lands shall be made by recorded restrictions subject to the jurisdiction of the Association. Such additional stages of development may be annexed in accordance with the provisions of Article VIII, Section 6, herein below. Upon a merger or consolidation of the Association with another Association, the Association's properties rights and obligations may be transferred to another surviving or consolidated Association, or alternatively, the

properties, rights, and obligations of another Association may be added to the properties, rights, and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated Association shall administer the Covenants and Restrictions established by this Declaration, together with the Covenants and Restrictions applicable to the properties of the other Association as one scheme. No such merger or consolidation, however, shall effect any revocation, change, or addition to the Covenants established by this Declaration.

Section 3. Classes of Membership. The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners with the exception of the Declarant and each shall be entitled to one vote for each Lot and/or Living Unit owned.

When more than one person holds an interest in any Lot and/or Living Unit, all such persons shall be members. The vote of such Lot and/or Living Unit shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any one Lot and/or Living Unit.

Class B. Class B members shall be the Declarant herein, as such term is defined in Article I, Section 3, who shall be entitled to nine (9) votes for each Lot and/or Living Unit owned.

Class B membership shall cease and be converted to Class A membership on the happenings of either of the following two events, whichever occurs earlier:

- (A) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or
- (B) The tenth anniversary date of this Declaration.

Section 4. Non-Profit Corporation. SPORTSMAN'S WORLD RECREATIONAL ASSOCIATION, INC., a non-profit corporation, has been organized, and all duties, obligations, benefits, liens, and rights hereunder in favor of the Association shall vest in said corporation.

Section 5. By-Laws. The Association may make whatever rules or by-laws it may choose to govern the organization, provided that same are not in conflict with the terms and provisions hereof.

Section 6. Members' Easements of Enjoyment. Subject to the provisions of Section 7 below, every Member shall have a common right and easement of enjoyment in the Recreational Facilities Tracts and Recreational Facilities, and such right and easement shall be appurtenant to and shall pass with the title to every Lot and/or Living Unit.

Section 7. Extent of Members' Easements. The rights and easements of enjoyment created hereby in favor of the Members shall be subject to the rights and easements now existing or hereafter created in favor of Declarant or others as referred to or provided for in this Declaration, and shall also be subject to the following provisions:

- (a) The Association shall have the right to borrow money and with the assent of Members entitled to cast not less than two-thirds (2/3) of the aggregate of the votes of both Classes of Members to mortgage the Recreational Facilities Tracts and Recreational Facilities.
- (b) The Association shall have the right to take such steps as are reasonably necessary to protect the Recreational Facilities Tracts and Recreational Facilities against foreclosure of any such mortgage.

(c) The Association shall have the right to suspend the voting and enjoyment rights of any Member for any period during which any assessment or other amount owed by such Member to the Association remains unpaid.

(d) The Association shall have the right to establish reasonable rules and regulations governing the Members' use and enjoyment of the Recreational Facilities Tracts and Recreational Facilities, and to suspend the enjoyment rights of any Member for any period not to exceed sixty (60) days for any infraction of such rules and regulations.

(e) The Association shall have the right to assess and collect the assessments provided for herein and to charge reasonable admission and other fees for the use of any recreational facilities which are a part of the Recreational Facilities Tracts.

(f) The Association shall have the right to dedicate or convey all or any part of the Recreational Facilities Tracts and Recreational Facilities, or interests therein, to any public authority for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or conveyance shall be effective unless an instrument agreeing to such dedication or conveyance signed by Members entitled to cast not less than two-thirds (2/3) of the, aggregate of the votes of both Classes of Members has been recorded, except that Declarant and/or the Board of Trustees of the Association reserve the right to dedicate to public use any private road serving the Subdivision, whether located on or off the Subdivision, without the consent of the Owners or their mortgagees.

(g) The Board of Trustees of the Association shall have the right to rent or lease any part of the Recreational Facilities Tracts and Recreational Facilities for the operation (for profit or otherwise) of any service activity intended to serve a substantial number of residents in the Subdivision.

(h) The Declarant may, in its sole discretion, retain the legal title to any or all of the Recreational Facilities Tracts and Recreational Facilities until such time as it has completed improvements thereon, and until such time as the Declarant shall no longer require the use of the Community Lodge as a sales office. At such time or times as any or all of the Recreational Facilities Tracts and Recreational Facilities are conveyed to the Association, the Association shall accept such interest to the Recreational Facilities Tracts and Recreational Facilities free and clear of all liens, and the Association shall assume all of the operational and maintenance responsibilities and costs of the Recreational Facilities Tracts and Recreational Facilities conveyed. Notwithstanding anything to the contrary contained in this paragraph (h), the Association shall assume all operational and maintenance responsibilities and costs of the swimming pool, and tennis courts upon completion of such facilities, regardless of whether or not title to such facilities has been previously conveyed to the Association.

### ARTICLE III COVENANTS FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot and/or Living Unit owned within the Subdivision, hereby covenants, and each Owner of any Lot and/or Living Unit by acceptance of a deed

therefor, or -by acceptance of a deed for property upon which such Living Unit is located or to be located, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be secured by a continuing Vendor's Lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessment shall not pass to his successors in title unless expressly assumed by them, but shall be secured by the continuing lien referred to above. Each Owner shall furnish the Association with his current mailing address.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to improve, beautify, maintain, manage and operate the Recreational Facilities Tracts and Recreational Facilities, and to pay taxes and insurance premiums thereon, and to promote the recreation, health, safety, convenience, and welfare of the Members; the foregoing uses and purposes being permissive and not mandatory, and the decisions of the Board of Trustees of the Association being final as long as made in good faith and in accordance with the By-Laws of the Association and governmental laws, rules and regulations.

Section 3. Annual Assessments. The Association, by action of its Board of Trustees, shall levy annual assessments against the Lot and/or Living Unit to obtain funds reasonably anticipated to be needed for purposes stated in Section 2 herein above, including reasonable reserves for contingencies and for capital improvements, replacements, and repairs; provided, the annual assessments shall be levied on a uniform basis as follows:

- (a) Until January I of the year immediately following the conveyance of the first Lot and/or Living Unit to an Owner, the maximum annual assessment shall be One Hundred Forty-Four and No/100 Dollars (\$144.00) per Lot and/or Living Unit.
- (b) From and after January I of the year immediately following the conveyance of the first Lot and/or Living Unit to an Owner, the maximum annual assessment may be increased each year not more than 10% (such percentage increase may be cumulative from year to year) above the maximum assessment for the previous year without a vote of the membership.
- (c) From and after January I of the year immediately following the conveyance of the first Lot and/or Living Unit to an Owner, the maximum annual assessment may be increased above 10% by the vote of written assent of at least 51% of each class of members.
- (d) The Board of Trustees shall fix the annual assessment at an amount not in excess of the maximum.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized by Section 3 herein above, the Association may levy against each Lot and/or Living Unit in any calendar year a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any

construction, reconstruction, purchase, acquisition, repair, or replacement of a capital improvement of the Association, including necessary fixtures and personal property related thereto, but any such assessment must be approved by Members entitled to cast not less than two-thirds (2/3) of the aggregate of the votes cast by both Classes of Members.

Section 5. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots and/or Living Units on the date (which shall be the first day of a month) fixed by the Board of Trustees of the Association to be the date of commencement. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year in which it is made, and shall be payable on the date fixed for commencement, or in equal monthly, quarterly or semi-annual installments over the balance of the year, at the election of the Association. Provided, however, that upon the purchase of his Lot and/or Living Unit (as evidenced by the date of his deed) each Owner shall be obligated to pay to the Association a pro rata part of the applicable percentage of the regular annual maintenance charge assessed on each such Lot and/or Living Unit, which shall bear the same ratio to the applicable percentage of the full annual maintenance charge as the number of full calendar months remaining in the year of purchase bears to twelve (12), and which shall be payable upon such purchase or in equal monthly, quarterly or semi-annual installments over the balance of the year of purchase, as the Association may elect. The Board of Trustees shall fix the amount of the annual assessment against each Lot and/or Living Unit at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Trustees. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot and / or Living Unit have been paid. The due date of any special assessment under Section 4 hereof shall be fixed in the resolution of the Members of the Association authorizing or approving such assessment.

Section 6. Duties of the Board of Trustees. The Board of Trustees of the Association shall determine the amount to be levied as the annual assessment against each Lot and/or Living Unit for each calendar year, subject to the criteria and limitations set out in Section 3 hereof. The Board of Trustees of the Association shall cause to be prepared a roster of the Lots and/or Living Units showing the amount of each assessment, which roster shall be kept in the office of the Association and shall be open to inspection by any Owner. The Association shall upon demand at any time furnish to any Owner a certificate in writing signed by an officer of the Association setting forth whether or not there are any unpaid assessments against said Owner's property. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid, as to any third party who in good faith relies thereon to his economic detriment.

Section 7. Effect of Non-Payment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of ten percent (10%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien

against the Lot and/or Living Unit. Interest costs and reasonable attorney's fees incurred in any such action shall be added to the amount of such assessment or charge. Each such Owner, by his acceptance of a deed to a Lot and/or Living Unit, or property upon which such Living Unit is located or to be located, hereby expressly vests in the Association, or its agents, the right and power to bring all actions against such Owner personally for the collection of such charges as a debt and to enforce the aforesaid lien by all methods available for the enforcement of such liens, including non-judicial foreclosure pursuant to Article 3810 of the Texas Revised Civil Statutes and such Owner hereby expressly grants to the Association a power of sale in connection with said lien. The lien provided for in this section shall be in favor of the Association and shall be for the benefit of all Lot and/or Living Unit Owners. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Recreational Facilities Tracts and Recreational Facilities or abandonment of his Lot and/or Living Unit.

**Section 8. Subordination of the Lien to Mortgages.** The lien securing any assessment provided for herein shall be subordinate to the lien of any mortgages now or hereafter placed upon the property subject to the assessment for the purpose of securing indebtedness incurred to purchase or improve such property; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such property pursuant to a decree of foreclosure, a foreclosure by trustee's sale under a deed of trust, or a conveyance in lieu of foreclosure. Such sale or transfer shall not relieve such property from liability for any assessment thereafter becoming due, nor from the lien securing any such subsequent assessment. In addition to the automatic subordination provided for above, the Association, in the discretion of its Board of Trustees, may subordinate the lien securing any assessment provided for herein to any other mortgage, lien or encumbrance, subject to such limitations, if any, as such Board may determine.

**Section 9. Exempt Property.** The assessments and liens created in this Article III shall apply only to the Lots and/or Living Units, and the remainder of the property in the Subdivision shall not be subject thereto or entitled to the rights granted to Members in Article II.

**Section 10. Lots and/or Living Units Owned by Declarant.** Notwithstanding any other provision hereof, there shall be no assessment of any kind against or with respect to any Lot and/or Living Unit owned by the Declarant.

#### ARTICLE IV ARCHITECTURAL CONTROL COMMITTEE

**Section 1. Tenure.** The initial Architectural Control Committee shall mean and refer to ROBERT L. FARRAR, JR., WADE WHITMER and DAN W. PUGH all of Harris County, Texas, and their successors. The persons serving on the initial Architectural Control Committee, or their successors, shall serve until December 1, 1981, at which time the initial Architectural Control Committee shall resign and thereafter its duties shall be fulfilled and its power exercised by an Architectural Control Committee appointed by the Board of Trustees of the Association. In the event of the death or resignation of any person serving on the Architectural Control Committee, the Board of



Trustees of the Association shall designate a successor, or successors, who shall have all of the authority and power of his or their predecessors. A majority of the Architectural Control Committee may designate someone serving on the Committee to act for it. No person serving on the Committee shall be entitled to compensation for services performed pursuant to this Article IV.

Section 2. Approval of Plans. No buildings or other improvements, including but not limited to fences, walls and drainage facilities, shall be commenced, constructed, erected, placed, or maintained in the Recreational Facilities Tracts, nor shall any exterior addition to or alteration therein be made, unless and until the plans and specifications showing all uses and dimensions, the location of buildings, and other improvements have been submitted to and approved in writing by the Architectural Control Committee as to compliance with this Declaration and as to harmony of surrounding structures, walks, and topography. The plans and specifications shall specify, in such form as the Architectural Control Committee may reasonably require, the nature, kind, shape, height, exterior color scheme, materials, and locations of the proposed improvements or alterations thereto. In the event the Architectural Control Committee fails to approve or disapprove the plans and specifications within thirty (30) working days after they have been submitted to it, approval thereof will not be required and the provisions of this Section 2 will be deemed to have been fully complied with. Without limitation of the powers herein granted, the Architectural Control Committee shall have the right to specify a limited number of acceptable exterior materials and/or finishes that may be used in the construction, alteration or repair of any improvement. Where plans and specifications have not been submitted for approval, failure of the Architectural Control Committee to exercise the powers granted by this Article IV shall never be deemed a waiver of the right to do so either before or after a building or other improvement in the Recreational Facilities Tracts, or any exterior addition to or alteration therein, has been completed.

Section 3. No Liability. Neither Declarant, the Association, Board of Trustees, or the Architectural Control Committee or the members thereof shall be liable in damages to any Owner of property affected by these restrictions by reason of mistake in judgment, negligence, or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any such plans or specifications.

Section 4. Rules and Regulations. The Architectural Control Committee may from time to time, in its sole discretion, adopt, amend and repeal rules and regulations interpreting and implementing the provisions hereof.

## ARTICLE V UTILITY BILLS, TAXES AND INSURANCE

Section 1. Utilities. The Association shall pay as a common expense of all Owners, for all water, gas, electricity and other utilities used in connection with the enjoyment and operation of the Recreational Facilities Tracts or any part thereof.

Section 2. Taxes. The Association shall render for taxation and, as part of the common expenses of all Owners, shall pay all taxes levied or assessed against or upon the Recreational Facilities Tracts and the improvements and the property appertaining thereto.

Section 3. Insurance. The Association, through the Board of Trustees, or its duly authorized agent, shall have the authority to obtain the following types of insurance policies:

(a) Property insurance covering the Recreational Facilities Tracts and all improvements thereon in an amount equal to the full replacement value of the improvements and facilities located upon the Recreational Facilities Tracts and owned by the Association (including all building service equipment and the like) with an "agreed amount endorsement" or its equivalent, a "demolition endorsement" or its equivalent, and, if necessary, an "increased cost of construction endorsement" or "contingent liability from operation of building laws endorsement" or the equivalent, affording protection against loss or damage by fire and other hazards covered by the standard extended coverage endorsement in Texas, and by sprinkler leakage, debris removal, cost of demolition, vandalism, malicious mischief, windstorm, and water damage, and any such other risk as shall customarily be covered with respect to projects similar in construction, location, and use;

(b) A comprehensive policy of public liability insurance covering all of the Recreational Facilities Tracts and insuring the Association, within such limits as it may consider acceptable (but with coverage of not less than \$1,000,000.00 for all claims for personal injury and/or property damage arising out of a single occurrence); such coverage to include protection against water damage liability, liability for nonowned and hired automobiles, liability for property of others, and any other coverage the Association deems prudent and which is customarily carried with respect to projects similar in construction, location, and use; and

(c) A policy of fidelity coverage to protect against dishonest acts on the part of officers, directors, trustees, and employees of the Association and all others who handle, or are responsible for handling funds of the Association; such fidelity bonds shall be of the kind and in an amount the Association deems necessary for the protection of the Owners.

Premiums for all such insurance policies carried by the Association shall be a common expense payable by and included with the assessments on all of the assessable Lots and/or Living Units. Liability and property insurance for Lots and/or Living Units and the contents of residences shall be the responsibility of each individual Owner. All proceeds from policies held by the Association shall be deposited in a bank or other financial institution, the accounts of which bank or institution are insured by a federal governmental agency, with the proviso agreed to by said bank or institution that such funds may be withdrawn only by signature of at least two (2) of the members of the Board of Trustees, or by an agent duly authorized by the Board of Trustees. Proceeds from such policies shall be used by the Association only for the benefit of its Members and where such proceeds arise out of an occurrence in which a building or improvement owned by the Association is damaged or destroyed, they shall be used to repair, restore and rebuild such building or improvements. In the latter event, the Board of Trustees shall advertise for sealed bids from licensed contractors, and upon acceptance of a bid received thereby, may negotiate with the contractor, who shall be required to provide a full performance and payment bond for the repair, reconstruction or

rebuilding of such destroyed improvements or buildings. In the event the insurance proceeds are insufficient to pay all costs of repairing and/or rebuilding said improvements to their original condition, the Association shall levy a special assessment for capital improvements against all Owners to make up the deficiency. This shall be done only after compliance with all the requirements for imposition of special assessments.

#### ARTICLE VI MAINTENANCE AND REPAIRS

The Association, as a common expense of all Owners, shall perpetually care for, maintain and keep in good repair the Recreational Facilities Tracts and Recreational Facilities and all parts thereof, including but not limited to, tennis courts, swimming pool, Community Lodge, landing strip, boat ramps, parks, roads, landscaped lawns, esplanades, parking areas and improvements and facilities owned by the Association, except that it shall be the obligation of each Owner, and not the obligation of the Association, to pay for the cost of repair and maintenance of private driveway, sidewalk, and fence or fences which are appurtenant to his residence house.

#### ARTICLE VII MANAGEMENT AGREEMENTS

Each Owner hereby agrees to be bound by the terms and conditions of all management agreements entered into by the Association for the management of the Recreational Facilities Tracts and the improvements located thereon. A copy of all such agreements shall be available to each Owner. Any and all management agreements entered into by the Association shall provide that the Association may cancel said management agreement by giving the other party thirty (30) days' written notice when so authorized by the vote of a majority of the membership votes in the Association entitled to be cast at a meeting of the Members or otherwise. In no event shall such management agreement be canceled prior to the time the Association or its Board of Trustees negotiate and enter into a new management agreement which is to become operative immediately upon the cancellation of the preceding management agreement. It shall be the duty of the Association or its Board of Trustees to effect a new management agreement prior to the expiration of any prior management contract. Any and all management agreements shall be for a term not to exceed one (1) year and shall be made with a professional and responsible party or parties with proven management skills and experience managing a project of this type, except that any management agreement may exceed a term of one (1) year with the assent of at least two-thirds (2/3) of each Class of Members. The Members of the Association may terminate the professional management and assume self management by the Association upon the execution of a written agreement executed by the Members holding a majority of the membership votes entitled to be cast at a meeting of the Members or otherwise.

#### ARTICLE VIII GENERAL PROVISIONS

Section 1. Sales and Promotions. Notwithstanding any other provisions contained herein, Declarant and its permittees shall have the exclusive right to erect, place and maintain on the Recreational Facilities Tracts and Recreational Facilities such facilities (including but not limited to, offices, storage areas, model units, flags and signs) as in Declarant's sole discretion may be necessary or convenient to improve and/or sell Lots and/or Living Units in the Subdivision, and to use any of the Recreational Facilities Tracts and Recreational Facilities for sales offices for so long as Declarant in its sole discretion shall deem necessary or convenient for the sale of Lots and/or Living Units in the Subdivision.

Section 2. Incorporation. The terms and provisions of this Declaration shall be construed as being adopted in each and every contract, deed, or conveyance hereafter executed by Declarant conveying all or any part of the land in the Subdivision, whether or not referred to therein, and all estates conveyed therein and warranties of title contained therein shall be subject to the terms and provisions of this Declaration.

Section 3. Amendments. This Declaration may be amended in whole or in part by an instrument executed by the President of the Association when approved by (i) Members entitled to cast not less than three-fourths (3/4) of the aggregate of the votes of both Classes of Membership if the amendment occurs within twenty (20) years after the date of this Declaration, or (ii) the Members entitled to cast not less than two-thirds (2/3) of the aggregate of the votes of both Classes of Membership if the amendment occurs more than twenty (20) years after the date of this Declaration. Following any such amendment, every reference herein to this Declaration shall be held and construed to be a reference to this Declaration as so amended.

Section 4. Amendments by Declarant. The Declarant shall have and reserves the right at any time and from time to time, without the joinder or consent of any other party to amend this Declaration by any instrument in writing duly signed, acknowledged, and filed for record for the purpose of correcting any-typographical or grammatical error, 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 The Declaration, and shall not impair or affect the vested property or other rights of any Owner or his mortgagee.

Section 5. Books and Records. The books and records of the Association shall, during reasonable business hours, be subject to reasonable inspection by any member. The Board of Trustees may, by resolution, establish rules and regulations governing the frequency of inspection and other matters to the end that inspection of the books and records by any member or members will not become burdensome to nor constitute harassment of the Association. The Declaration, the Articles of Incorporation and the By Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

Section 6. Annexation. Additional residential property and "Recreational Facilities Tracts" and "Recreational Facilities" may be annexed to the Subdivision.

- (a) With the consent of two-thirds (2/3) of each class of members;
- (b) Notwithstanding anything contained in (a) above, additional land within the area described in the attached Exhibit "B" may be annexed from time to time by the Declarant, its successors or assigns, without the consent of other

Owners, or their mortgagees, within ten (10) years of the date of recording of this instrument;

(c) The annexation or addition may be accomplished by the execution and filing for record by the owner of the property being added or annexed of an instrument which may be called "SUPPLEMENTAL DECLARATION" which shall at least set out and provide in substance: the name of the owner of the property being added or annexed who shall be called the "Declarant"; the perimeter description of the property being added or annexed; the description of the residential areas and/or of the Recreational Facilities Tracts and Recreational Facilities of the property being added or annexed and the rights and easements of the Owners in and to the Recreational Facilities Tracts and Recreational Facilities; that the property is being added or annexed in accordance with the provisions of this Declaration of Covenants, Conditions and Restrictions, and that the property being annexed shall be developed, held, used, sold and conveyed in accordance with and subject to the provisions of this Declaration of Covenants, Conditions and Restrictions; that all of the provisions of the Declaration of Covenants, Conditions and Restrictions shall apply to the property being added or annexed with the same force and effect as if said property were originally included therein as part of the original development; that the property being added or annexed is submitted to the jurisdiction of the Association with the same force and effect as if said property were originally included in this Declaration of Covenants, Conditions and Restrictions as part of the original development; and, such "Supplemental Declaration" may contain such other provisions which are not inconsistent with the provisions of this Declaration of Covenants, Conditions and Restrictions or the general scheme or plan of development of SPORTSMAN'S WORLD as a residential development. Nothing in this Declaration shall be construed to represent or imply that Declarant, its successors or assigns, are under any obligation to add or annex additional property to this residential development.

(d) At such time as the "Supplemental Declaration" is filed for record as herein above provided, the annexation shall be deemed accomplished and the annexed area shall be a part of the Subdivision and subject to each and all of the provisions of this Declaration of Covenants, Conditions and Restrictions and to the jurisdiction of the Association in the same manner and with the same force and effect as if such annexed property has been originally included in this Declaration of Covenants, Conditions and Restrictions as part of the initial development.

(e) After additions or annexations are made to the development, all assessments collected by the Association from the Owners in the annexed areas shall be commingled with the assessments collected from all other Owners so that there shall be a common Maintenance Fund for the Subdivision.

Section 7. Rights of Mortgagees, Trustees or Lienholders. No violations of any of these restrictions, covenants or conditions, shall affect or impair the rights of any Mortgagee, Trustee or Lienholder under any mortgage or deed of trust, or the rights of any assignee of any Mortgagee, Trustee or Lienholder under any such mortgage or deed of trust.

Section 8. No Obligation as to Adjacent Property. The Subdivision is a part of a larger tract or block of land owned by Declarant. While Declarant may subdivide other portions of its property, or may subject the same to a declaration-such as this Declaration, Declarant shall have no obligation to do so, and if Declarant elects to do so, any subdivision plat or declaration executed by Declarant with respect to any of its other property may be the same as or similar or dissimilar to any subdivision plat covering the Subdivision, or any part thereof, or to this Declaration.

Section 9. Reservation of the Use of Private Roads, Landing Strip, Boat Ramp, Parks, Lookout Area, and Guest Room and Related Facilities in Community Lodge by Declarant. Declarant hereby reserves (1) the uninterrupted, free and perpetual right to the use, possession and enjoyment of a guest room and related facilities in the Community Lodge which Declarant proposes to locate on Reserve "A" of Sportsman's World, Section One, and (2) the non-exclusive, uninterrupted, free and perpetual right to the use of the private roads, landing strip, boat ramp, parks and Lookout Area which Declarant proposes to locate in the Subdivision, for and on behalf of its employees, guests and invitees.

Section 10. Duration. This Declaration shall remain in full force and effect for a term of thirty (30) years from the date this Declaration is recorded in the Office of the County Clerk of Palo Pinto County., Texas, after which time this Declaration shall be extended automatically for successive periods of ten (10) years each unless and until an instrument signed by the Members entitled to cast no less than three-fourths (3/4) of the aggregate of the votes of both Classes of Membership has been filed for record in the Office of the County Clerk of Palo Pinto County, Texas, agreeing to terminate this Declaration. Such an instrument so filed for record shall become effective on the date stated therein or one (1) year after it is so filed for record, whichever is the later date.

Section 11. Enforcement. The terms and provisions of this Declaration shall run with and bind the land in the Subdivision, and shall inure to the benefit of and be enforceable by Declarant, the Association, or the Owner of any Lot and/or Living Unit, and by their respective legal representatives, heirs, successors and assigns. This Declaration may be enforced in any proceeding 'at law or in equity against any person or entity violating or threatening to violate any term or provision hereof, to enjoin or restrain violation or to recover damages, and against the property to enforce any lien created by this Declaration, and failure of Declarant, the Association, or any Owner to enforce any term or provision of this Declaration shall never be deemed a waiver of the right to do so thereafter.

Section 12. Severability. Invalidation of any term or provision of this Declaration by judgment or otherwise shall not affect any other term or provision of this Declaration, and this Declaration shall remain in full force and effect except as to any terms and provisions which are invalidated.

Section 13. Gender and Grammar. The singular wherever used herein shall be construed to mean or include the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations (or other entities) or individuals, male or female, shall in all cases be assumed as though in each case fully expressed.

Section 14. Titles. The titles of this Declaration and of Articles and Sections contained herein are for convenience only and shall not be used to construe, interpret or limit the meaning of any terms or provisions contained in this Declaration.

Section 15. Successors in Title. The terms and provisions of this Declaration shall apply to, be binding upon, and inure to the benefit of Declarant and the Association and their respective successors and assigns.

Section 16. Access to State Highway 16 and the Proposed Landing Strip. Declarant proposes to construct, at its sole cost and expense, an entry road providing access to and from State Highway 16 and the proposed landing strip. Private, perpetual, nonexclusive, unobstructive, free and uninterrupted rights-of-way and easements for the use of such entry road will be granted by Declarant for the benefit of the present and future owners of lands within the area described in the attached Exhibit "B". Sportsman's World Recreational Association, Inc. shall be responsible for the upkeep, maintenance and repair of such entry road. Sportsman's World Recreational Association, Inc.'s rights and obligations with respect to the use, upkeep, maintenance and repair of such entry road shall be subject to the terms and provisions of that certain Reciprocal Right-of-Way Agreement recorded under Palo Pinto County Clerk's File No. 2465 reference to which Agreement is here made for a more particular description of such rights and obligations, and said Agreement is hereby incorporated by reference for all purposes. The Subdivision is part of a larger tract or block of land owned by Declarant described on the attached Exhibit "B". Declarant reserves the right, without joinder of any Owner or mortgagee, to grant, at any time and from time to time, private, perpetual, non-exclusive, unobstructive, free and uninterrupted rights-of-way and easements through, over and across any private roads located within the Subdivision, for the purpose of providing access, ingress, egress and regress to and from State Highway 16 for the benefit of owners of lands located within the aforementioned tract or block of land described in the attached Exhibit "B". Sportsman's World Recreational Association, Inc. shall be responsible for the upkeep, maintenance and repair of such private roads upon completion of same, regardless of whether or not title to such private roads has been previously conveyed to said Association.

IN WITNESS WHEREOF, this Declaration is executed this the 18th day of April A.D., 1979.

ATTEST:

LANDAR CORPORATION  
BY:

THE STATE OF TEXAS           §

COUNTY OF HARRIS           §

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Vice-President, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said LANDAR CORPORATION, a corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 23rd day of April A. D., 1979.

Notary Public in and for Harris County,  
T E X A S .

JOYCE K. MOORE

Notary Public in and for Harris County, Texas  
My Commission Expires January 31, 1980



JOINDER OF MORTGAGEE

The undersigned, REPUBLIC NATIONAL BANK OF DALLAS ("Republic") being the owner and holder of a certain deed of trust (the "Deed of -Trust") dated December 22, 1978, recorded in the Deed of Trust Records of Palo Pinto County, Texas, under Clerk's File No. 6906, covering the real property (the "Property") described in the foregoing Declaration of Covenants, Conditions and Restrictions for Sportsman's World (the "Declaration") joins in the execution of the Declaration for the sole purpose of consenting to the Declaration and agreeing that in the event of a foreclosure of the Deed of Trust or a deed in lieu of foreclosure of the Deed of Trust, such foreclosure or deed in lieu of foreclosure shall not extinguish the terms of the Declaration; provided, however, that (i) this consent shall in no manner impair or affect the Deed of Trust or the priority of the Deed of Trust nor shall this consent be construed as a subordination or release of the Deed of Trust; (ii) any annexation of additional property, as set forth in the Declaration, shall be subject to the prior written consent of Republic; (iii) any mortgage or lien on the Property shall be subject to the terms and conditions of the Deed of Trust; and (iv) any dedication or conveyance of the Property or any easement granted affecting the Property shall be subject to the terms of the Deed of Trust.

EXECUTED this 24 day of April A.D., 1979  
REPUBLIC NATIONAL BANK OF DALLAS

President

THE STATE OF TEXAS                    §  
  §  
COUNTY of, DALLAS                   §

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared \_\_\_\_\_ Vice President of Republic National Bank of Dallas,

known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said Republic National Bank of Dallas, a national banking association, and that he executed the same as the act of such national banking association for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 24 day of April, A.D., 1979.