

Declaration of Covenants, Conditions and Restrictions
For The
Indian Oaks Homeowner's Association
Of Indian Oaks Subdivision and Bylaws of the Association
This document contains and sets forth The Covenants
And Restrictions imposed upon Certain Property of
Indian Oaks, a residential subdivision on the shores of
Lake Tawakoni, Texas and further provides for the
Enforcement of certain conditions such as maintenance,
Improvements, repair and assessment and collection of
Assessments due from members for the benefit of the
Homeowner's Association

Declaration

David Kaden and Kass Marketing , LLC are the owners in fee simple or if not the Owners in fee simple, is the contractual purchaser or has the exclusive unilateral right by option to acquire certain real property located in Hunt County, Texas and known by official plat designation as Indian Oaks, a Subdivision located on the shores of lake Tawakoni pursuant to a plat of record in Volume 400, Page 1018, File Cabinet D-357 of the Plat Map Records of Hunt County, Texas in the office of County Clerk and subject to Deed Conditions, otherwise known as Restrictive Covenants of recorded in Volume 968, Page 440 of Deed Records of Hunt County, Texas.

Property Upon Which This Declaration is Binding

- The Property to which this agreement applies is the Subdivision, less, save and except and specifically not to include all of those Lots, tracts or parcels within the Subdivision conveyed to various Owners [who are not joining herein] by J.P. McNatt, the Estate of J.P. McNatt Trust prior to the Effective Date of the Declaration.
- Declarant and Owners who join in the execution of the Declaration desire to preserve values and amenities of Indian Oaks as a residential Subdivision with recreational, parks, open spaces and other Common Areas and facilities and intend by this Declaration to create a mechanism and agency to have the powers of maintaining, administering, and enforcing the covenants and restrictions to which the Subdivision is subject and collecting and disbursing assessments established by this Declaration.

WITNESSETH

- For the purpose of enhancing and protecting the value, attractiveness, and desirability of the Lots or tracts constituting Indian Oaks Subdivision, Declarant declares that all of the Property Upon Which This Declaration is Binding will be held, sold, and conveyed only subject to the following easements, covenants, conditions, and restrictions, which will constitute covenants running with the lane and will be binding on all parties having any right, title, or interest in the above described property or any part of it, their heirs, successors, and assigns, and will inure to the benefit of each Owner of such right, title, or interest.
- Declarant is joined herein in the execution of the Declaration by record Owner or Owners of each Lot in Subdivision less, save and except and specifically not including all of those Lots, tracts or parcels within the Subdivision conveyed to various Owners [who are not joining herein] by J.P. McNatt, the estate of J.P. McNatt and/or the J.P. McNatt Trust prior to the Effective Date of this Declaration

Article I

Definitions

Section 1. **“Association”** means and refers to the Indian Oaks Homeowner’s Association, its successors, and assigns.

Section 2. **“Common area”** means all real property owned or leased by the Association for the common use and enjoyment of the Owners. The Common Area to be owned or leased by the association is described as Lots 1 and 2, Block 1 and Lot 6, Block 7 of Indian Oaks Subdivision. Notwithstanding the foregoing, however, Common Areas shall not apply until such time as the Common Areas are conveyed or leased to the Association.

Section 3. **“Declarant”** means and refers to David Kaden and Kass Marketing, LLC, collectively referred to as Declarant and their or its heirs, successors, and assigns provided such successors or assigns more than one undeveloped Lot from Declarant for the purpose of development.

Section 4. **“Declaration”** means and refers to this Declaration of covenants and restrictions and all other restrictions and conditions applicable to the Subdivision which are of record on or to the date of this Declaration in the office of the County Clerk of Hunt County, Texas.

Section 5. **“Deed of Trust”** means a deed of trust or a conventional mortgage.

Section 6. **“Effective Date”** MEANS AND REFERS TO August 1, 1995.

Section 7. **“Lot”** means and refers to al lots or tracts of land depicted as lots or tracts on the recorded Subdivision plat which is within the Property Upon Which This Declaration is Binding with the exception of the Common Area.

Section 8. **“Maintenance”** means the exercise of reasonable care to keep buildings, contents, equipment, roads, landscaping, lighting, and other related improvements and fixtures in a condition

comparable to their original condition, normal wear and tear excepted. Maintenance of landscaping further means the exercise of generally accepted garden management practices necessary to promote a healthy, weed-free environment for optimum growth.

Section 9. **“Member”** means every person or entity who holds membership in the Association.

Section 10. **“Holder”** means a beneficiary under or holder of a deed of trust or a mortgagee under a holder of a conventional mortgage.

Section 11. **“Owner”** means one or more persons or entities holding in his, her, or their or its name fee simple title or contractual right to acquire and own any Lot within the Subdivision, evidence of which must be of record in the Real Property Records of Hunt County, Texas by deed or contract filed of record after the Effective Date but does not include those holding title merely as security for performance of an obligation.

Section 12. **“Property Upon Which This Declaration is Binding”** means and refers to the Subdivision, less, save and except and specifically not to include all of those Lots, tracts or parcels within the Subdivision conveyed to various Owners [who are not joining herein] by J.P. McNatt, the Estate of J.P. McNatt and/or the J.P. McNatt Trust prior to the Effective Date of this Declaration.

Section 13. **“Subdivision”** means the subdivided real property known as Indian Oaks and such additions to that property as may be brought within the jurisdiction of the Association as provided in this declaration.

Article II

Property Subject to this Declaration

The property to which this Declaration applies is the property within the Subdivision, which is owned by or contractually bound to be conveyed to Declarant and the Owners who have joined in the execution of this Declaration.

Article III

Membership in Association; Voting Rights

Section 1. Every Owner of a Lot shall be a member of the Association; membership will be appurtenant to and may not be separated from ownership of a Lot. No additional voting rights shall inure to any Lot which is subdivided unless and until such subdivision is approved by the Board of Directors as being in full compliance with the restrictions and covenants to the Subdivision.

Section 2. The Association will have two classes of voting Members as follows:

Class A. Class A Members will be all Owners with the exception of Declarant and will be entitled to one vote for each Lot owned. When more than one person holds an interest in a given Lot, all such persons

will be Members and the vote for such Lot will be exercised as they may determine among themselves. In no event may more than one vote be cast with respect to any Lot owned by Class A Members.

Class B. The Class B Member will be the Declarant, as that term is defined in Article I, Section 3, who will be entitled to exercise one (1) vote for each Lot owned by Declarant at the time such vote is cast. The Class B membership will cease and be converted to Class A membership n January 1, 2025. Thereafter, there will be no Class B Membership.

Article IV

Assessments

Section 1. Class A Members shall be subject to the Assessments described in this Article. Class B Member shall not be subject to Assessments.

Section 2. Lien and personal obligation. Each Owner of a Lot is deemed to covenant by acceptance of his or her deed for such Lot, whether or not it is so expressed in the deed, to pay the Association (1) Annual Assessments, (2) Special Assessments for capital improvements and (3) fines to compel clients. Such assessments will be established and collected as provided in this Declaration. The annual and Special Assessments, together with interest, costs, and reasonable attorney fees, will be a charge on the Lot(s) and a continuing lien on each Lot against which an assessment is made. Each such assessment, together with interest, costs, and reasonable attorney fees, will also be their personal obligation of the person or persons who own the Lot at the time the assessment falls due, but such personal obligation will not pass to the successors in title of such person or persons unless expressly assumed by them.

Section 3. Purpose of Annual Assessment. The Annual Assessment levied by the Association will be used exclusively to promote the health, safety, welfare, and recreation of the residents in the Subdivision, and for the improvement and maintenance of the Common Areas and of the homes situated within the Subdivision and the enforcement of strict compliance with all covenants and restrictions. Annual Assessments will include, and the Association will acquire and pay for out of the funds derived from Annual Assessments, the following:

- (a) Maintenance and repair of the Common Area
- (b) Water, sewer, garbage, electrical, lighting, telephone, gas, and other necessary utility service for the common area.
- (c) Acquisition of furnishings and equipment for the Common Area as may be determined by the Association, including without limitation all equipment furnishings, and personnel necessary or proper for use of the recreational facilities or other Common Area facilities benefitting Members irrespective of whether such Member's use, enjoy or avail themselves of the benefits of such Common Area facilities.
- (d) Maintenance and repair of streets, culverts and storm or water run-off drains within the Subdivision [Maintenance, upkeep, and repair of streets within the Subdivision responsibility of the City of West Tawakoni, Texas and nothing in the provision shall mean nor ever be construed to mean or infer that maintenance and repair of streets within the Subdivision is the responsibility of the Association. Maintenance and repair done by the Association is not an attempt to preempt the responsibility of the City of West Tawakoni.]

- (e) Fire insurance covering the full insurable replacement value of the Common area, with extended coverage.
- (f) Liability insurance insuring the Association against any and all liability to the public, to any Owner, or to the invitees or tenants of any Owner arising out of their occupation or use of the Common Area. The policy limits will be set by the Association and will be reviewed at least annually and increased or decreased in the discretion of the Association.
- (g) Workers' compensation insurance to the extent necessary to comply with applicable law.
- (h) Any other insurance deemed necessary by the board of directors of the Association.
- (i) A standard fidelity bond covering all Members of the board of directors of the Association and all other employees of the Association in an amount to be determined by the board of directors.
- (j) Any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations, insurance, taxes, or assessments which the Association is required to secure or pay pursuant to the terms of this declaration or by law, or which will be necessary or proper in the opinion of the board of directors of the Association for the operation of the Common Areas, for the benefit of Lot Owners, or for the enforcement of these restrictions.

Section 4. Maximum Annual Assessment

- (a) Until December 31, 1998, the Annual Assessment will be up to but not to exceed the maximum Annual Assessment of \$450.00.
- (b) The board of the Association may fix the Annual Assess at an amount not in excess of the maximum.

Section 5. Special Assessments for capital improvements. In addition to the Annual Assessments authorized above, the Association may levy in any assessment year a Special Assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, or replacement of capital improvement on the Common Area, including fixtures and personal property related to such area. Any such Assessment may be made only by the vote or written consent of a majority of each class of Members.

Section 6. Notice and quorum for membership action authorized under Sections 4 and 5. Written notice of any meeting called for the purpose of taking any action authorized by Section 4 or 5 will be sent to all Members not less than 30 days or more than 45 days in advance of such meeting. In the event the proposed action is favored by a majority of the votes cast at such meeting, but less than the requisite majority of each class of Members, Members who were not present in person or by proxy may give their assent in writing within 10 days after the date of such meeting.

Section 7. Uniform rate of assessment. Both annual and Special Assessments must be fixed at a uniform rate for all Lots.

Section 8l. Commencement and collection of Annual Assessments. The Annual Assessment is based upon the calendar year and will commence as to all Lots on January 1, 1997. The first Annual Assessment as to a Lot will be adjusted according to the number of months remaining in the calendar year, commencing with the date of conveyance of the Lot to the Owner. The board of directors will fix the amount of the Annual Assessment against each Lot at least 60 days in advance of the due date of

the assessment and will fix the dates such amounts become due. Assessments may be made payable monthly. Notice of the Annual Assessments will be sent to every Owner subject to the Assessment. The Association will, on demand and for a reasonable charge, furnish a certificate signed by an officer of the Association, setting forth whether the Assessment against a specific Lot has been paid, and will, on or before June 1st of each year, cause to be recorded in the office of the County Clerk of Hunt County, a list of delinquent Assessments as of that date.

Section 9. Effect of nonpayment of Assessments; remedies of the Association. Any Assessment not paid within 30 days after the due date will be deemed in default and will 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 may foreclose the lien against the property. No Owner may waive or otherwise escape liability for the Assessments provided for by non-use of the Common Area or abandonment of the Owner's Lot.

Section 10. Subordination of Assessment lien to deeds of trust. The Assessment lien provided for in this declaration will be subordinate to the lien of any first deed of trust. A sale or transfer of any Lot will not affect the assessment lien. However, the sale or transfer of any Lot pursuant to foreclosure of a deed of trust, whether judicial or by exercise of power of sale will extinguish the Assessment lien as to payments which become due prior to such sale or transfer. No sale or transfer will relieve such Lot from liability for any Assessments thereafter becoming due or from the lien of such Assessments.

Article V

Property Rights

Section 1. Owner's easements of enjoyment. Every Owner of a Lot will have a right and easement of enjoyment in and to the Common Area which will be appurtenant to and will pass with the title to such Lot, subject to the following rights of the Association:

- (a) The right to charge reasonable admission and other use fees for the use of any recreational or Common Area facility provided for the benefit and enjoyment of Members or situated within the Common Area;
- (b) The right to suspend the right of use of recreational facilities and Common Areas and the voting rights of any Owner for periods during which assessments against the Owner's Lot remain unpaid, and the right, after hearing by the board of directors to suspend such rights for a period not exceeding 180 days for any infraction of the published rules and regulations of the Association;
- (c) The right to dedicate or transfer all or any part of the Common Area to any municipality, public agency, authority, or utility for such purposes and subject to such conditions as may be agreed on by the Members. No such dedication or transfer will be effective unless an instrument executed by two-thirds of each class of Members agreeing to such dedication or transfer has been duly recorded.

Section 2. Delegation of use. Subject to such limitations as may be imposed by the bylaws of the Association, each Owner may delegate the right of enjoyment in and to the Common

Areas and facilities to the Members of the owner's family, and to guests, tenants, and invitees.

Section 3. Easement of encroachment. There will exist reciprocal appurtenant easements as between adjacent Lots and between each Lot and any adjacent portion or portions of the Common Area for any encroachment due to the placement, settling, or shifting of the improvements constructed, reconstructed, or altered thereon, provided such construction, reconstruction, or alteration is in accordance with the terms of this declaration. Such easement will exist to a distance of not more than one as measured from any point on the common boundary between adjacent Lots, and between each Lot and any adjacent portion of the Common Area, along a line perpendicular to such boundary at such point. No easement for encroachment will exist as to any encroachment occurring due to willful conduct of an Owner.

Section 4. Other easements.

- (a) Easements for installation and maintenance of utilities and drainage facilities are shown on the recorded Subdivision plat. Within these Easements, no structure, planting or other material will be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may damage, interfere with, or change the direction of flow of drainage facilities in the easements. The easement area of each Lot and all improvements in such area will be continuously maintained by the Owner of such Lot, except for improvements for maintenance of which a public authority or utility company is responsible.
- (b) No dwelling unit or other structure of any kind will be built, erected, or maintained on any such easement, reservation, or right of way, and such easements, reservations, and rights of way, will at all times be open and accessible to public and quasi-public utility corporations, their employees, and their contractors, and will also be open and accessible to Declarant, its successors and assigns, all of whom 'will have the right and privilege of doing whatever maybe necessary in, on, under, and above such locations to carry out any of the purposes for which such easement, reservations, and rights of way are reserved.

Section 5. Right of entry. The association, through its duly authorized employees and contractors, will have the right after reasonable notice to the Owner of any Lot, to enter any Lot at any reasonable hour on any day to perform such maintenance as may be authorized in this declaration.

Section 6. No partition. There will be no judicial partition of the Common Area, nor will Declarant, or any Owner or any other person acquiring any interest in the Subdivision or any part of it, seek judicial partition of the Common Area. However, nothing contained in the declaration will be construed to prevent judicial partition of any Lot owned in co-tenancy.

Section 7. Common Entry, Driveway and Common Use of Entry and Driveway. On adjoining Lots on which the residence is serviced by common entry or driveway which is constructed one-half on each Lot or partially on adjoining Lots, there is hereby created an easement of right-of-way, use and enjoyment in each adjoining Lot and Owner. Where such common entries and driveways are employed in the

development of the Subdivision and Lots, Owners may not abate, interrupt, deny or prevent the free access, use and enjoyment of the driveway.

Article VI

Use Restrictions

The property Upon Which This Declaration is Binding will be occupied and used only in accordance with the following restrictive covenants and conditions of Lot use, which may be enforced by any remedy at law or in equity either to restrain or enjoin the violation of any restriction or to recover damages as follows:

Section 1. Each lot will be used as a residence for a single family and for no other purpose. Common Areas may be used for purposes other than single family residence so long as such use and purpose is for the use and benefit of the Association and not for business or commercial enterprises which do not directly benefit or promote and encourage the purposes of the Association. Only one residence is permitted per Lot.

Section 2. No residence or other permitted structure shall be located on any Lot (i) nearer than 25 feet from the front boundary line (meaning any boundary of the Lot, including rear boundary line, other than the front boundary line) than a distance, measured in feet or fraction thereof, which is equal to 10% of the width of the Lot on which the structure is to be constructed, determined at its narrowest point.

Section 3. Only one structure or out building shall be permitted on any Lot to be used for storage, hobby shop or other non-prohibited purpose which shall not exceed 600 square feet and be located within setback requirements set forth in Section 2.

Section 4. Except as provided in the following Section 5, no commercial, industrial, retail, manufacturing, or service for a fee or for profit (collectively referred to as "Business Activity") is allowed to be conducted on any Lot other than Common Areas where such activity is authorized by the Association. Business Activity on any Lot is strictly prohibited. Activities conducted on a Lot for fee or for profit, whether within or outside a residence, which produces noise or odor detectable outside the residence or requires personnel or employees other than the homeowner(s), are prohibited. Activities conducted entirely within a residence by a homeowner with no apparent or visible outside activity such as, but not limited to, (i) storing of inventory or materials, boxed or otherwise, (ii) use of machinery and equipment, both handheld and mechanized, (iii) assembling, installing, or prefabricating, (iv) delivery to or shipping from a residence, (v) requires personnel or employees other than the homeowner(s), are not a Prohibited Activity.

Section 5. Except as expressly permitted in the foregoing Section 4, the only permitted Business Activity which may be conducted on any Lot is the Business Activity of Declarant and the transferees of Declarant in developing and constructing residences and other permitted structures on Lots.

Section 6. No sign, billboard or advertising device of any kind shall be displayed to the public view on any Lot except one (1) sign of an area of not more than five (5) square feet advertising the property for sale or signs used by an Owner or builder to advertise the property during the construction and sales period to one sign placed on the Lot temporarily (not to exceed 30 days) by any supplier or vendor of material or services provided to the Lot. This restriction does not exclude yard signs for political or garage sale purposes if such signs are not af an area of more than three (3) square feet. Declarant and Declarant's assignees may exhibit signs not to exceed 32 square feet for so long as Declarant of his assignees is a Class B Member.

Section 7. Nothing will be done or kept on a Lot or on the Common Area which would increase the rate of insurance relating to such Lot or area without the prior written consent of the Association, and no Owner will permit anything to be done or kept on the owner's Lot or the Common Area which would result in the cancellation of insurance on any residence or on any part of the Common Area, or which would be in violation of any law.

Section 8. No animals, excluding household pets, livestock or poultry of any kind will be raised, bred, or kept on any Lot or on the Common Area. However, dog, cats, and other household pets may be kept on Lots subject to such rules and regulations as may be adopted by the Association, so long as they are not kept, bred, or maintained for commercial purposes. No more than four household pets may be kept in any residence or Lot. No household pet shall be allowed to stray upon any Lot or Common Area other than the pet Owner's Lot. Pets, while off Owner's Lot, shall be on leash. Household pets maintained outside a residence shall be fenced. If an outdoor kennel is used for household pet, such kennel shall be neat in appearance, sanitary and free of offensive smell. Dogs that chronically bark are prohibited. Vicious dogs are also prohibited. The Association is permitted to adopt rules and regulations not inconsistent with this restriction, from time to time, regulating household pets.

Section 9. No Lot shall be used or maintained as a dumping ground for rubbish. Rubbish, trash, garbage, or other waste material shall not be kept or permitted on any Lot or on the Common Area except in sanitary containers located in appropriate areas concealed from public view. Accumulation or storing of debris is prohibited. Lot Owners and occupants shall arrange for regular disposal of garbage and refuse. Open burning is prohibited. Materials incident to construction of improvements on a Lot may be stored on such Lot during construction which storage shall be in a neat manner. Debris resulting from construction of improvements on a Lot shall be regularly removed from the Lot and debris not removed shall be stored and contained in containers suitable for such materials, such as barrels or waste storage dumpsters.

Section 10. No fence, hedge, wall, or other dividing instrumentality over six and one-half feet in height measured from the ground on which it stands will be constructed or maintained on any Lot except those Lots adjoining Sabine River Authority of Texas lake boundary or take line (meaning lake front Lots) shall be fenced only with and using materials commonly referred to as chain link not to exceed a height of four (4) feet measured from the ground on which it is constructed. Fencing on lake front Lots which extends on to Sabine River Authority of Texas property, if such property is Permitted to the adjoining Lot to which the fencing applies, shall not extend on to Sabine River Authority of Texas leased or Permitted property to a distance greater than 40 feet from the Lot boundary abutting the Sabine River Authority property. No fencing permitted by this restriction to be constructed, may be constructed within a distance of 50 feet of an existing retaining wall constructed by Declarant. No fence, wall or hedge shall

be built or maintained forward of the front building set back line. Fences shall be within the boundary of the Lot for Lot side fences unless a common fence agreement is entered into in writing by adjoining Lot Owners, in which event fences may be on the boundary line of adjoining Lot. Fences constructed of wood may not be constructed of used lumber.

Section 11. No outbuilding, basement, tent, shack, garage, trailer, shed, or temporary building of any kind will be used as a permanent residence. Such use shall be restricted to 72 hours in a single month.

Section 12. The residence and any other improvement allowed to be placed on a Lot shall be completed within (6) six months after construction commences and no partially completed residence or other permitted structure shall be allowed to remain on the Lot beyond the six (6) month completion.

Section 13. No travel trailer, recreational vehicle, tent, shack, garage, barn or outbuilding shall ever be erected or placed on any Lot to be used as a permanent residence. House trailers are strictly prohibited from ever being used on any Lot in this Subdivision temporarily or permanently, by either an owner of any Lot in this Subdivision or any guest of such owner. No structure or any part of the property shall be occupied or used as a residence, temporarily or permanently, until the exterior is completely finished, and all plumbing connected as required hereinafter.

Section 14. No boat, trailer, camper body or similar vehicle (meaning and including motorcycles, boats, any type of motor vehicle, farm tractor and equipment motor home, mobile home, camper, travel trailer, electric or gasoline driven motorized equipment or tools and equipment, whether motorized or not, used in any way in the building and construction trades) shall be parked for storage in the driveway or between the front boundary and front setback line of a Lot. No abandoned, junk or vehicle not in running operating condition (meaning and including motorcycles, boats, any type of motor vehicle, farm tractor and equipment motor home, mobile home, camper, travel trailer, electric or gasoline driven motorized equipment or tools and equipment, whether motorized or not, used in any way in the building and construction trades) shall remain on any Lot. Vehicle parts may not remain on the premises unless located entirely within a permitted building other than the residence. Trucks and tractor-trailers larger than one and one half (1 ½) tons of carrying capacity may not be parked or permitted to remain on a Lot except for use or delivery of materials during construction. No vehicle of any type shall ever be parked, placed, or permitted to remain on any public right-of-way within the Subdivision for more than 72 continuous hours in any one month period (meaning from the first day of a calendar month to the last day of a month). Vehicles remaining parked on a Subdivision Street greater than 72 hours within a month maybe be removed by the Association and stored with cost of removal and storage taxed to the vehicle owner. Vehicles of homeowners, guests and invitees may not be parked overnight except on property of homeowner or street adjacent to homeowner's Lot. Vehicles may not remain overnight on street abutting adjacent Lot except with consent of adjacent Lot owner. Vehicles of Lot owner and otherwise shall be parked on paved or other hard surfaced drive and may not be parked within yard areas.

Section 15. No old, used, or prefabricated structure of any kind, and no part of an old, used, or prefabricated structure shall be moved onto, placed on, or permitted to remain on any Lot. Only new lumber and building materials may be used in the structural and exterior part of any residence or other permitted structure. No structure or part of any structure which is to become a part of or used in the structural part of residence shall be used or moved onto any Lot. Prefabricated, modular or offsite

construction for move-on to the Property or residence of any type that is built elsewhere for move-to the Property are forbidden.

Section 16. No noxious, offensive, or illegal activity shall be permitted or carried on upon any Lot, nor shall anything be done thereon which may be or become an annoyance or nuisance to the Subdivision.

Section 17. The Owners or occupants of all Lots shall at all times keep weeds and grass thereon cut in sanitary, healthful, and attractive manner. Landscaping and lawn care shall be eye pleasing.

Section 18. If a Lot owner fails to mow and neatly maintain such owner's Lot, the Declarant or Association may mow and maintain the Lot and recover reimbursement for actual expenses incurred in maintenance of the lot.

Section 19. Only tanks for the storage of liquid gasses, such as butane, propane or natural gas, for supplying a residence with heating, cooling and cooking are permitted except for gasoline used for boats and lawn equipment not to exceed 25 gallons. Storage of other gases, fuels or combustible is prohibited. Tanks for the storage of liquid gases shall not protrude beyond the front setback line as provided by Section 2 of these Restrictions and shall not exceed 1,000 gallon capacity.

Section 20. No hunting shall be allowed in this Subdivision and any discharge of firearms is strictly prohibited.

Section 21. Any radio and/or television antenna erected on any Lot shall not extend more than 30 feet above the highest part of the roof of the residence built on the Lot. No radio or broadcast equipment or antenna used to send or receive a radio or television or other signal or frequency shall be used in a manner to interfere with standard radio and television reception.

Section 22. No toxics, dangerous chemicals or other dangerous or hazardous materials or compounds may be stored, used or maintained on the premises except for those which are normally and typically sold over-the-counter for use as household, landscaping and pet purposes only. No Lot owner may contaminate or otherwise cause an environmental hazard on any Lot.

Section 23. Flagpoles shall not be greater in height above the ground than 16 feet nor shall flags flown in any manner be greater than 12 square feet in size. Only flags of recognized countries, official State flags and decorative seasonal flags may be displayed and flags of ethnic or other special interest are prohibited.

Section 24. Neither these covenants nor any amendment, modification or change hereafter made shall discriminate nor be used to discriminate against any person because of race, color, religion, or national origin.

Section 25. Nothing will be altered in, constructed on, or removed from the Common Area except on the written consent of the Association.

Section 26. Invalidity of any of the restrictions reservations or rules and regulations of the Association or of the Architectural Control Committee by judgment by court order shall not in any manner affect any of the other such provisions which shall remain in full force and effect.

Section 27. Nothing contained in these restrictions shall expressly or impliedly prohibit the Association from adopting and implementing rules and regulations governing activities within the Property subject to this Declaration which are not inconsistent with this restriction.

Right of Declarant Under These Provisions

Declarant of the transferees of Declarant will undertake the work of developing all Lots included within the Subdivision. The completion of that work, and the sale, rental, or other disposal of residential units is essential to the establishment and welfare of the Subdivision as an ongoing residential community. In order that such work may be completed, and the Subdivision be established as a fully occupied residential community as soon as possible, nothing in the declaration will be understood or construed to:

- (a) Prevent Declarant, Declarant's transferees, or the employees, contractors, or subcontractors of Declarant or Declarant's transferees from doing on any part or parts of the Subdivision owned or controlled by Declarant or Declarant's transferees or their representatives, whatever they determine may be reasonably necessary or advisable in connection with the completion of such work;
- (b) Prevent Declarant or Declarant's transferees, or the employees, contractors, or subcontractors of Declarant or Declarant's transferees from constructing and maintaining on any part or parts of the Subdivision property owned or controlled by Declarant, Declarant's transferees, or their representatives, such structures as may be reasonably necessary for the completion of such work, the establishment of the Subdivision as a residential community, and the disposition of Lots by sale, lease, or otherwise;
- (c) Prevent Declarant, Declarant's transferees, or the employees, contractors, or subcontractors of Declarant or Declarant's transferees from conducting on any parts of the Subdivision property owned or controlled by Declarant or Declarant's transferees or their representatives, the business of completing such work, of establishing the Subdivision as a residential community, and of disposing of Lots by sale, lease, or otherwise; or
- (d) Prevent Declarant, Declarant's transferees, or the employees, contractors, or subcontractors of Declarant or Declarant's transferees from maintaining such sign or signs on any of the Lots owned or controlled by any of them as may be necessary in connection with the sale, lease, or otherwise of Subdivision Lots.

As used in this section, the word "transferees" specifically exclude purchasers of Lots improved with completed Residences.

Article VII

Owners' Obligation to Repair

Each owner will, at such owner's sole cost and expense, maintain and repair such Owner's residence, keeping the same in a condition comparable to the condition of such residence at the time of its initial construction, excepting only normal wear and tear.

Article VII

Owners' Obligation to Rebuild

If a residence is damaged or partially destroyed by fire or other casualty, it will be the duty of the Owner, with all due diligence, to rebuild, repair, or reconstruct such residence in a manner which will substantially restore it to its appearance and condition immediately prior to the casualty. Reconstruction will be undertaken within 120 days after the damage occurs, and will be completed within 245 days after the damage occurs, unless prevented by causes beyond the control of the Owner.

Article IX

Architectural Control Committee

The Association shall permanently maintain an Architectural Control Committee, and hereinafter referred to as the Committee, which shall be governed by the following rules and regulations.

Section 1. Committee Members. The Committee shall consist of three Members. Each Member shall serve for life unless he resigns or is removed as hereinafter provided. The initial Members of the Committee shall be David Kaden, Jan Kaden and a third person who shall be an Owner and Member to designated in writing by David Kaden and Jan Kaden. At the death, resignation or removal of any Member, a majority of the other Members shall select his successor. The designation of new Members shall be in writing and shall be duly recorded in the Deed Records of Hunt County, Texas.

Section 2. Committeemen. Any Member may resign by filing with the Committee a tend ay written notice thereof. Any Member may be removed for good cause by a majority vote of all other Members. If a Member delivers to the Committee a written request for a hearing within ten days after receiving written notice of his removal, he shall be given hearing before the Committee to reconsider whether good cause exists. If the Committee determines after hearing that no good cause exists, the Member shall be reinstated.

Section 3. Failure to Act. In the event the Committee fails to perform its responsibilities as generally provided herein as determined by a vote of at least seventy-five percent (75%) of the directors of the board of the Association, then such Board of Directors may replace some or all of the Members of the Committee with new Members selected by a majority vote of the Board of Directors who shall likewise serve for life subject to the rules and procedures herein state. The designation for such new Members shall be in writing, duly signed by an authorized officer of the Association, and duly recorded, and same shall be conclusive as to the membership of the Committee. If a Member thus discharged delivers to the Board of Directors a written request for a hearing within the days after receiving written notice of his discharge, he shall be given a hearing before the Board of Directors to reconsider whether good cause exists. If the Board of Directors determines by majority vote after such hearing that good cause does not exist, then the Member shall be reinstated.

Section 4. Responsibilities. It shall be the responsibility of the Committee to preserve the value of the properties and to encourage its prudent and proper development. It shall review the construction plans and specifications and proposed location of improvements as required in the Article IX, Section 6, below and shall make prompt rulings thereon. All rulings or recommendations shall be in writing with a copy to be delivered to the Owner or his agent and a copy to be retained for the permanent records of the Committee.

Section 5. Timeliness. In the event the Committee should fail to issue its written ruling in response to the Owner's request therefore within (30) days from the receipt of such request properly supported with adequate plans and specifications and location data, then it shall be presumed that the Committee has approved such request.

Section 6. Failure of Owner to Submit Request. In the event an Owner fails to submit a request properly accompanied with construction plans and specifications and location data for the construction of a new residence or, in the case of repair or remodel where such repair or remodel includes construction of an addition of more than 300 square feet to the existing structure, whether living area or not, but proceeds with the construction thereof, or in the event an Owner proceeds with construction following the disapproval of the Committee, or proceeds with construction that is inconsistent with the plans and specifications or location that have been approved by the Committee, or proceeds with any activity contrary to the covenants and restrictions of this Declaration, the Committee shall have the right, at its election, to secure injunctive relief against such construction, including judicial relief requiring the removal of such construction or prohibiting any such activity or requiring compliance with any such covenant and restriction, by bringing suit thereon prior to the expiration of six (6) months following the completion of the commission or omission of any such wrongdoing.

Section 7. Policies and Guidelines. The Committee shall, by a majority vote, determine such policies and guidelines as it shall deem to be feasible in assisting Owners in planning the construction of their improvements, repairs or remodeling. Nothing herein, however, shall be construed as an estoppel on the Committee in adopting new policies and guidelines when prior rulings or policies and guidelines have, in the opinion of the Committee, proven to be detrimental to the purposes and responsibilities of the Committee.

Section 8. Delegation. The Committee may, at its discretion and from time to time, delegate its duties to review and approval and rulings thereon to one or more of its Members. Any ruling by either the Committee or any delegate thereof shall be final and conclusive unless, upon receipt of written request for review from the Owner within ten (10) days from a ruling rendered only by any delegate, the Committee should determine to grant a review of the ruling. If such request for review is denied by the Committee, the matter shall be final.

Section 9. Fees and Compensation. Members of the Committee shall serve without remuneration for services except that they shall be reimbursed for all reasonable expenses, including automobile mileage, incurred by them in the performance of their duties and further except that the Committee shall remunerate any delegate for his reviewing and issuing a ruling on the plans and specifications and location data, including an inspection of the proposed improvement. The Committee may, at its discretion, charge an Owner a fee not to exceed Fifty Dollars (\$50.00) for each separate item to be constructed to defray its expenses. Any additional financial needs of the Committee shall be funded by

the Association upon the presentation of request by the Committee and approval thereof by the Board of Directors of the Association which shall not be unreasonably withheld.

Section 10. Enforcement. It shall be the primary responsibility, but not the duty, of the Committee to enforce strict compliance by Owners with the Covenants and restrictions provided in this Declaration. As an exception to the discretionary funding provision provisions of Section 9 above, the Association shall fund all reasonable and necessary legal expenses of the Committee in pursuing such enforcement. Said covenants and restrictions may be enforced by proceedings at law or in equity, including injunctive relief to prevent construction, to remove improvements, or otherwise to compel compliance, or by any other legal remedy. Owner waives notice of non-compliance and agrees that all terms and conditions of this Declaration shall be construed liberally for the best interest and welfare of the Association. If however, the Committee should notify Owner in writing of non-compliance of any covenant and restriction and Owner fails to cure same within ten days from delivery thereof, the Committee, or its agents, shall be authorized to enter upon Owner's Lot to correct such non-compliance at the expense and cost of Owner which shall become due and payable on demand, shall bear interest at the rate of ten percent (10%) per annum, and shall become a lien against the Lot. Owner further shall become liable for the Committee's reasonably attorney's fees and court costs incurred in enforcement which shall likewise become payable upon demand, bear interest at the rate of ten percent (10%) per annum, and become a lien against the Lot. All remedies in this Declaration shall be deemed cumulative. Failure or the Committee to enforce any covenant or restriction shall not be deemed a waiver of any prior or subsequent violation of any such covenant or restriction. Violation of any covenant or restriction shall not, however bring about a forfeiture of title to any such Lot under violation. Enforcement of the strict compliance with the covenants and restrictions may also be pursued by the Board of Directors of the Association at the cost and expense of the Association or by any Owner also at the cost and expense of the Association provided, however, that the Owner is successful in obtaining Judicial relief thereon.

Article X

Enforcement

Declarant, the Association, or any Owner will have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, easements, reservations, liens, and charges now or hereafter imposed by the provisions of this declaration. Failure by Declarant, the Association, or by any Owner to enforce any covenant or restriction so imposed will in no event be deemed a waiver of the right to do so thereafter.

Article XI

Severability

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

Article XII

Amendments

Covenants and restrictions of this declaration may be amended by duly recording an instrument executed and acknowledged by not less than two-thirds of each class of Members.

Article XIII

Subordination

No breach of any of the conditions contained in this declaration or reentry by reason of such breach will defeat or render invalid the lien of any deed of trust made in good faith and for value as to the Subdivision or any Lot in it; however, that such conditions will be binding on any Owner whose title is acquired by foreclosure, trustee's sale, or otherwise.

Article XIV

Duration

The covenants and restrictions of this declaration will run; bind the land, and will inure to the benefit of and be enforceable by the Association or any Member of it for a period of 25 years from the date of this declaration, and thereafter will continue automatically in effect for additional periods of 10 years, unless otherwise agreed to in writing by the then Owners of at least two-thirds of the Subdivision Lots.

BYLAWS

Article I

Name of Association

The name of the Association shall be Indian Oaks Homeowner's Association.

Article II

Principal Office and Non-Profit

Section 1. The principal office of the Association shall be located at the Subdivision. The street address or post office box used by the Association to receive mail, notices, assessments and correspondence shall always be published and available to Members.

Section 2. The Association shall be and remain non-profit. No dividends shall be paid to Members, but refunds or rebates of assessments may be made. The Association shall loan no funds to any officer or director and no officer or director shall be entitled to any payment merely for serving in such capacity but may, with approval of the Board of Directors of the Association, be reimbursed for expenses

incurred in connection with advancing and handling the affairs of the Association. Nothing herein shall prohibit an officer or director, not in the capacity of officer or director, to be aid a reasonable and competitive sum for services actually rendered to the Association.

Section 3. The Association may elect to incorporate under the Texas Non-Profit Corporation Act.

Article III

Meeting of Members

Section 1. Annual Meetings. The first annual meeting of Members will be held within 90 days from the date of this Declaration. Subsequent annual meetings of Members will be held on the first Saturday in February of each year thereafter at 10:00 AM at the principal location of the Association. If the day for the annual meeting of Members is a legal holiday, the meeting will be held at the same hour on the next following Saturday at the same time.

Section 2. Special Meetings. Special meetings of members may be called at any time by the President or by the Board of Directors, or on written request of 10 members who are entitled to vote.

Section 3. Notice of meetings. Written notice of each meeting of Members will be given by, or at the direction of, the Secretary or other person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 30 but not more than 45 days before such meeting to each member entitled to vote, addressed to the member's address last appearing on the books of the Association or supplied by such Member of the Association of the purpose of receiving notice. The notice will specify the day, hour, and place of the meeting, and in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting, in person or by proxy, of Members entitled to cast a majority of the votes of each class of the membership will constitute a quorum for authorization of any action, except as may otherwise be provided in the Declaration or these Bylaws. If a quorum is not present at any meeting, the Members entitled to vote will have Power to adjourn the meeting from time to time, without notice other than announcement at the meeting until a quorum is present.

Section 5. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies will be in writing and filed with the Secretary. Proxies will be such Owner of his or her Lot.

Article IV

Board of Directors

Section 1. Number and Qualifications. The affairs of the Association will be managed by a board of five directors, who will be Members of the Association.

Section 2. Nomination. Nomination for election to the Board of Directors may be my nominating committee and may also be made from the floor at any annual meeting of Members. The nominating

committee will consist of a chairperson who is a Member of the Board of Directors and two or more Members of the Association. The committee will be appointed by the Board of Directors prior to each annual meeting to serve from the close of such meeting until the close of the next annual meeting, and such appointment will be announced at each annual meeting. The nominating committee will make as many nominations for election to the Board of Directors as it will in its discretion determine, but in no event will it nominate less than the number of vacancies to be filled.

Section 3. Election. Election to the Board of Directors will be by secret ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under or provisions of the Declaration. Persons receiving the largest number of votes will be elected. Cumulative voting is permitted in favor of candidates for fewer than all vacancies, provided that any Member who intends to cumulate his or her votes must give written notice of such intention to the Secretary of the Association on or before the day preceding the election at which such member intends to cumulate his or her votes.

Section 4. Meetings

- (a) Regular Meetings. Regular meetings of the Board of Directors will be held at least quarterly without notice, or more often if established by resolution of the board. In the event the regular date for a meeting falls on a legal holiday, such meeting will be held at the same time on the next following day which is not a legal holiday.
- (b) Special Meetings. Special meetings of the Board of Directors will be held when called by the president of the Association, or by any two directors, after not less than three days' notice to each director.
- (c) Quorum. A majority of the directors will constitute a quorum for the transaction of business, every act performed or decision made by a majority of directors present at a duly held meeting in which a quorum is present will constitute the act or decision of the board.

Section f. Powers. The Board of Directors will have the power to:

- (a) Adopt and publish rules and regulations governing the use of the Common Areas and facilities including the personal conduct of the members and their guests in using them; and to establish penalties for infractions of such rules and regulations;
- (b) Suspend the voting rights and right to use of the recreational facilities of any Member during any period in which such Member is in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 180 days for infraction of published rules and regulations;
- (c) Exercise on behalf of the Association all powers, duties, and authority vested in or delegated to the Association and not specifically reserved to the membership by the Declaration or by other provisions of these Bylaws;
- (d) Declare the office of a Member of the Board of Directors to be vacant in the event that such Member is absent from three consecutive regular meetings of the Board of Directors; and
- (e) Employ a manager, independent contractors, and such other employees as they may deem necessary, and to prescribe their duties.

Section 6. Duties. It will be the duty of the Board of Directors to:

- (a) Cause to be kept a complete record of all its acts and Associations affairs and to present a statement of such acts and affairs to the Members at each annual meeting, or at any special meeting at which such a statement is requested in writing by ten Class A Members entitled to vote at a meeting;
- (b) Supervise all officers, agents, and employees of the Association and see to it that their duties are properly performed;
- (c) As more fully provided in the Declaration, to:
 - (1) Fix the amount of the Annual Assessment against each Lot at least 30 days in advance of each Annual Assessment period;
 - (2) Send written notice of each assessment to every Owner subject to the assessment at least 30 days in advance of each Annual Assessment period; and
 - (3) Foreclose the lien against any property for which assessments are not paid as required herein or to bring an action at law against the owner personally obligated to pay the same;
- (d) Issue, or cause an appropriate officer to issue, on demand by any person and imposition of a reasonable charge, a certificate setting for the whether or not any assessment has been paid, a statement in a certificate to the effect that an assessment has been paid constituting conclusive evidence of such payment;
- (e) Procure and maintain adequate liability and hazard insurance on all property owned by the Association;
- (f) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and
- (g) Cause the Common Area to be maintained.

Section 7. Term of Office. At the first annual meeting, the Members will elect two directors for a term of three years, two directors for a term of two years, and one director for a term of one year which shall be known as the "initial terms"; at each annual meeting thereafter, the Members will elect directors to fill the vacancy or vacancies as required to maintain five directors. At the election of the initial five directors at the first annual meeting, the directors shall be designated by place with each place to carry a three year term after expiration of such director's term.

Section 8. Compensation. No director will receive compensation for any service he or she may render to the Association. However, any director may be reimbursed for his or her actual expenses incurred in the performance of his duties.

Section 9. Removal. Any director may be removed from the board, with or without cause, by a majority vote of the Members of the Association. In the event of the death, resignation, or removal of a director, his or her successor will be selected by the remaining Members of the board and will serve for the unexpired term of his or her predecessor.

Article V

Officers

Section 1. Enumeration of Offices. The officers of the Association will be a President and Vice President, who will at all times be Members of the Board of Directors, and a Secretary, Treasurer, and such other officers as the board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers will take place at the first meeting of the Board of Directors following each annual meeting of Members.

Section 3. Term. The officers of the Association will be elected annually by the board. Each will hold office for a term of one (1) year unless he or she will sooner resign or will be removed or otherwise disqualified to serve.

Section 4. Special Appointments. The board may elect such other officers as the affairs in the Association may require, each of whom will hold office for such period, have such authority, and perform such duties as the board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office by the board at any time with or without cause. Any officer may resign at any time giving written notice to the board, the president, or the Secretary. Such resignation will take effect on the date of receipt of such notice or at any later time specified in the notice, and unless otherwise specified in the notice, the acceptance of such resignation will not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment of the board. The officer appointed to such vacancy will serve for the unexpired term of the officer he or she replaces.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person will simultaneously hold more than one of any of the other offices, except in the case of special offices, created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

- (a) President. The president will reside at all meeting of the Board of Directors, will see that the orders and resolutions of the board are carried out, will sign all leases, mortgages, deeds, and other instruments, and will co-sign all checks and promissory notes.
- (b) Vice President. The Vice President will act in the place of the president in the event of his or her absence, inability, or refusal to act, and will exercise and discharge such other duties as may be required of him or her by the board.
- (c) Secretary. The Secretary will record the votes and keep the minutes of all meetings and proceedings of the board and of the members, keep the corporate seal of the Association and affix it to all papers so requiring; serv notice of meetings of the Board and of Members, keep appropriate current records showing the Members of the Association together with their addresses, and perform such other duties as may be required by the board ot by law.
- (d) Treasurer. The Treasurer will receive and deposit in appropriate bank accounts all funds of the Association and will disburse such funds as directed by resolution of the Board of Directors; will sign all checks and promissory notes of the Association; and will keep proper books of account; will cause an annual audit of the Association books to be made by a certified public accountant at the completion of each fiscal year; and will prepare an annual budget and statement of income and expenditures, a copy of which documents will be delivered to each Member, and a report on which will be given at the regular annual meeting of Members.

Article VI

Committees

Section 1. There shall be such committees as established from time to time by the President in consultation with other officers and directors. The committees will be composed of such persons and have such duties and responsibilities and such authority as may be from time to time prescribed by the President.

Section 2. The Association will appoint a nominating committee as provided in Article IV of the Bylaws.

Section 3. the Board of Directors may appoint such other committees as it may deem appropriate in the performance of duties.

Section 4. The Association will appoint an Architectural Control Committee, as provided in the Declaration.

Article VII

Assessments

As more fully provided in the Declaration, each Member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien on the property against which such assessments are made. Any assessments which are not paid when due are considered delinquent. If an assessment is not paid within 30 days after the due date, the assessment bears interest from the date of delinquency at the rate of ten percent (10%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same, or may foreclose the lien against his or her property. Interest costs and reasonable attorney fees of any such action will be added to the amount of any assessment due. No owner may waive or otherwise escape liability for assessments by non-use of the Common Area or abandonment of his or her Lot.

Article VII

Books and Records; Inspection

The books, records, papers of the Association will be subject to inspection by any Member during ordinary business hours. The Declaration, articles of incorporation, and Bylaws of the Association will be available for inspection by any Member at the principal office of the Association, where copies will be made available for sale at a reasonable price.

Article IX

Corporate Seal

The Association may have a seal but is not required to do so.

Article X

Amendments

These Bylaws may be amended, at regular or special meeting of Members, by vote of a majority of members present in person or by proxy at such meeting.

Article XI

Conflicts with Articles of Incorporation of Declaration of Covenants

In the case of any conflict between the Declaration and these Bylaws, the Declaration will control.

The date of this Declaration is the Effective Date notwithstanding this Declaration is signed at various times and dates thereafter.

(Signature pages and acknowledgments provided upon request)