

**AMENDED & RESTATED RULES AND REGULATIONS
OF THE
CATALINA BAY OWNERS ASSOCIATION, INC.**

(a Texas Nonprofit Corporation)

Effective Date: January 1, 2016

WITNESSETH:

WHEREAS, the Amended Bylaws of the Catalina Bay Owners Association, Inc., a Texas non-profit corporation ("CBOA"), adopted on the 28th day of April, 2012, effective on the 1st day of June, 2012, was recorded on the 16th day of November, 2012 in the Real Records of Hood County, Texas as Document Number 2012-0012729; and

WHEREAS, the document titled Declaration Of Covenants, Restrictions And Easements (the "Declaration") was made and executed on the 10th day of July, 2003 by CBOA and MW Catalina, Ltd., the Developer, and was recorded in the Real Records of Hood County, Texas at Volume 1928 Page 0502, and contained Exhibit B, "Initial Rules And Regulations", which Rules And Regulations were recorded in the Real Records of Hood County, Texas at Volume 1928 Pages 0526 through 0532; and

WHEREAS, pursuant to Article VII, Section 7.1 g.(vi) [Note: The "g" lettering of the subsection following subsection "f" in the Exhibit B, "Initial Rules And Regulations" was mistakenly omitted and was followed by sub-sub-subsections (i) through (ix); therefore, that sub-sub-section is referred to herein as Section 7.1 g.(vi)]; which Section 7.1 g.(vi) reads as follows:

- (g) The Board shall have the following rights, powers and duties:
- (vi) To make reasonable rules and regulations for the operation of the Common Property and the Lots and to amend them from time to time"; and

WHEREAS, pursuant to Article 5, Section 5.1 therein, which provides in summary that the Board shall have the right to establish and amend reasonable rules and regulations for the various purposes set forth in Article 5.1; and that the Board shall give written notice to an owner of each Lot of the amendment or adoption of a rule at least 10 days before the rule's effective date, as specifically provided in Article 5.3 therein; and

WHEREAS, further pursuant to regulations adopted by the Texas State Legislature in the 2011, 2013 and 2015 regular legislative sessions, the Board of

Directors of CBOA shall have the right to establish and amend, from time to time, reasonable Rules And Regulations; and

WHEREAS, CBOA desires, for the protection and benefit of all persons who are or may hereafter become Owners of Lots located within the Catalina Bay II subdivision, that the herein October 20, 2015 Amendment to the Rules And Regulations shall become effective on the 1st day of January, 2016, and shall be administered and enforced by the Board or by the Board's designated representative in accordance with these Amended And Restated Rules and Regulations. These Amended And Restated Rules And Regulations, as may be amended from time to time by the CBOA Board of Directors, shall be filed of record in the Real Records of Hood County, Texas, and shall run with the land and be binding upon all parties purchasing Lots within the Catalina Bay II Addition Property and all persons claiming by, through or under the Catalina Bay II Addition, CBOA, and the CBOA Governing Documents.

RESOLUTION:

NOW THEREFORE, IT IS RESOLVED that, effective on the 1st day of January, 2016, the CBOA Board of Directors does hereby declare, adopt and impose the amendments to the Rules And Regulations of Catalina Bay Owners Association, Inc., a Texas non-profit corporation, set forth below in this October 20, 2015 Amended And Restated Rules and Regulations, replacing and amending in their entirety the Initial Rules And Regulations adopted on the 10th day of July, 2003 and all amendments thereto prior to this 1st day of January, 2016; and

IT IS FURTHER RESOLVED that these Amended And Restated Rules And Regulations shall bind the Subdivision and all Lots and Lot Owners therein, and shall run with the Subdivision and any title or interest therein, or any part thereof, and shall inure to the benefit of each Owner and future Owner thereof, and shall be administered and enforced by the Board or by the Board's designated representative as follows:

ARTICLE 1 **INTRODUCTION**

These Amended And Restated Rules & Regulations (the "Rules & Regulations") are amended and restated in their entirety in order to, among other things, bring the CBOA Rules And Regulations into compliance with current laws, including with the laws passed at the 2011, 2013 and 2015 Texas State Legislative Sessions; and, upon proper filing in the Hood County real property records, they became effective on the 1st day of January, 2016, to supersede and replace in their entirety, the Initial Rules And Regulations adopted on the 10th day of July, 2003, and all subsequent amendments to said Initial Rules And Regulations, including those adopted on the 17th day of December, 2013.

Section 1.1 General Restrictions. The use of the CBOA Lots and Common Property will be subject to the restrictions set forth in the Declaration and in these Amended And Restated Rules And Restrictions, as they may be amended by the CBOA Board of Directors from time to time.

Section 1.2 Motorized Vehicles. No trucks, trail bikes, recreational vehicles, motor homes, motor coaches, campers, trailers, boats or boat trailers, or similar vehicles other than passenger automobiles or pickup trucks with a capacity of one ton or less shall be parked, stored, or in any manner kept or placed on any portion of the Subject Property except in an enclosed garage attached to a house. However, recreational vehicles, motor homes, motor coaches, campers, boats or boat trailers shall be permitted to be parked on the Subject Property by residents' guests and by residents for loading and unloading for up to 72 hours, subject to compliance with all other parking rules. This restriction, however, shall not be deemed to prohibit commercial and construction vehicles, in the ordinary course of business, from making deliveries or otherwise providing service to the Subject Property or for the initial construction by other Owners.

All vehicles parking in the private streets within the Catalina Bay community must only park on the right side of the street, facing in the same direction of traffic on that side of the street.

No work on automobiles or other vehicle repair shall be permitted to be performed in any visible or exposed portion of the Subject Property except in emergencies.

Section 1.3 Abandoned, Inoperable or Oversized Vehicles. No abandoned or inoperable automobiles or oversized vehicles shall be stored or parked on any portion of the Subject Property. "An abandoned or inoperable vehicle" shall be defined as any vehicle, which has not been driven under its own propulsion for a period of two weeks or longer; provided, however, this shall not include vehicles parked by an Owner while on vacation. "Oversized" vehicles, for purposes of this Section, shall be a vehicle, which is too high to clear the entrance to a residential garage. A written notice describing the abandoned or inoperable or oversized vehicle and requesting its removal may be personally served by the Association or its designated agent upon the Owner or posted on the unused vehicle. If such vehicle has not been removed within 72 hours after notice has been given, the Association shall have the right to remove the vehicle without liability, and the expense of removal and any storage expenses shall be charged against the Owner.

Section 1.4 Parking and Auto Repair. Except as otherwise permitted in Section 1.3 above and in this Section 1.4, or as authorized in writing by the Association's Board of Directors or the Board's designated representatives, no automobiles or vehicles of any kind owned, leased, or otherwise under the ownership or lease control of the permanent Member residents or permanent lessee residents of a Lot in the Subject Property (herein referred to as the "Permanent Residents"), shall be parked overnight in any of the private streets or upon any portion of the Subject Property except within the Permanent Residents' garages or paved driveways or within any Common Area Parking Areas designated by written notice to the Permanent Residents by the Association's Board of Directors from time to time as "Common Area Parking Areas." Invited guests of the Permanent Residents of the Subject Property may temporarily park, during the day or evening and overnight, as limited below in subsections A and B, in the private street along the front boundary of the Permanent Resident's Lot, and when not available in the private street along the front boundary of the Permanent Resident's Lot, in the private street along the street contiguous to the front boundary of the Permanent Resident's neighbor's Lots following the delivery of notice to any such neighbors on the days and times designated below, as follows:

A. **Days other than State Recognized Holidays.** Temporary parking, as defined and permitted in Section 1.3 above, (i) shall be permitted for invited guests visiting the Permanent Residents and Lessees of the Subject Property during the day or evenings, overnight, on days other than State of Texas Recognized Holidays for up to six hours during any one 24 hour day; and (ii) shall only be permitted in the private street along the front boundary of the Permanent Resident's or Lessee's Lot, but not in the private street along the street contiguous to the front boundary of the Permanent Resident's or Lessee's neighbor's Lots for invited guests visiting and staying overnight and the following days with the Permanent Residents of the Subject Property, except that they shall not be permitted to park in the private streets for longer than three consecutive days without the written permission of the Association's Board of Directors or the Board's designated representatives.

B. **State Recognized Holidays.** Temporary parking, as defined and permitted in Sections 1.3 and 1.4 above and as limited in Subsection 1.4 A above, shall be permitted during all hours during the day, evening and overnight during State Recognized Holidays, which for the purposes of the Sections 1.3 and 1.4 Parking restrictions shall include official holidays recognized by the State of Texas, plus 24 hours prior to and following each such official holiday.

Violations of these Parking and Auto Repair rules are enforceable by and in the discretion of the Association's Board of Directors or the Board's designated representatives by towing of the violating vehicles without notice and without liability for trespass or any other liability connected with towing the vehicle. The Association Board is further authorized to impose discretionary fines against the Member and the Member's property in Catalina Bay II and against any Member's Lessee for any violation of these Parking and Auto Repair rules.

Section 1.5 Flags and Flagpoles. Subject to the provisions of the Texas Property Code Chapters 202 and 209 et seq., also known as the Texas Residential Property Owners Protection Act, which permit the display of flags, no flags or flagpoles of any kind, except as specified in the Rules and Regulations of the Association, shall be displayed to the public view on or from any portion of the Property, except those flags and flagpoles approved by the Association or are required by law.

Property Owners and Lessees may, except as otherwise provided in this Section 1.5, display: (1) the flag of the United States of America; (2) the flag of the State of Texas; or (3) an official or replica flag of any branch of the United States armed forces.

Such flags shall be displayed in accordance with the following:

- A. United States Flag.** The flag of the United States shall be displayed in accordance with 4 U.S.C. Sections 5-10;
- B. State of Texas Flag.** The flag of the State of Texas shall be displayed in accordance with Chapter 3100, State of Texas Government Code;
- C. Flag Display Materials.** A flagpole attached to a dwelling or a freestanding flagpole shall be constructed of permanent, long-lasting materials, with a finish appropriate to the materials used in the construction of the flagpole and harmonious with the dwelling;
- D. Flag Display Location.** The display of a flag, or the location of the supporting flagpole, shall comply with applicable zoning ordinances, easements, and setbacks of record;
- E. Flag and Flag Display Maintenance.** A displayed flag and the flagpole on which it is flown shall be maintained in good condition. Any deteriorated flag or deteriorated or structurally unsafe flagpole shall be repaired, replaced, or removed;

- F. Number, Size and Location.** Property Owners may install no more than one flagpole on their property at a maximum height of not more than 20 feet, located either in the front yard or the back yard of the home; and the length (distance between the two bottom corners) of the flag shall be no less than one quarter the height of the flagpole, and no greater than one-third the height of the flagpole (fractions may be rounded up or down at Owners discretion). For example, for a 20' flagpole, the length shall be no less than 5' (ex: 3' by 5'), and not greater than 7.7' rounded down to 7' (ex: 4.5' by 7');
- G. Flag Illumination.** Lights used to illuminate a displayed flag shall be limited to no more than two lights focused on the flag, installed within 20 feet of the flagpole with an intensity sufficient to properly illuminate a displayed flag without being overly bright. Such lights shall be directed at the flag in such a manner as to not shine on any structures or windows on adjacent property, or toward any street or vehicular traffic;
- H. Flag Noise Abatement.** Property Owners and Lessees shall take the necessary steps to abate noise caused by any flag or flagpole, such as noise caused by an external halyard blowing against the flagpole;
- I. No Flags in Common Areas by Property Owners or Lessees.** Neither Property Owners nor Lessees shall be permitted to locate or display a flag or flagpole on property that is owned or maintained by the Catalina Bay Owners Association, or owned in common by the members of the Association;

Section 1.6 Signs. No signs of any kind, except as specified in the Rules and Regulations of the Association, shall be displayed to the public view on or from any portion of the Property, except those signs approved by the Association or required by law. This provision does not restrict the display of Political Signs, which may be displayed in accordance with Texas Law.

No sign of any other kind shall be displayed to the public view on any Lot except one (1) professional security system sign of not more than one (1) square foot, one (1) sign conforming to the rules of the Association and approved in writing by the Association's Architectural Control Committee, of not more than six (6) square feet, advertising the Lot for sale or for rent, and signs used by a Builder, and an Architect, and approved suppliers to advertise during the Lot's construction and sales period.

No other sign or unsightly object may be erected, placed, or permitted to remain on the Property or to be visible from windows in the dwelling without the Board's prior written approval. The approval of the Association's Board or the Board's designated representatives, including the Architectural Control Committee, may specify the method of display, the location, nature, material, appearance, dimensions, number, and time period of display of any sign or object. The Board, or its designated representatives, may effect the removal of any sign or object that violates this Article or which the Board, or its designated representatives deem inconsistent with neighborhood standards without notice and without liability for trespass or any other liability connected with the removal.

The posting of a sign anywhere in Catalina Bay which the Association Board or its designated representative deems in their sole discretion to be personally offensive toward or against any Member or resident of Catalina Bay shall be a violation of these rules and may be enforced by the Association Board or the Board's designated representatives as a Nuisance under the Section 1.7 Nuisance rule hereinbelow, as amended from time to time.

Section 1.7 Nuisance. No obnoxious or offensive activity shall be carried on within the Subject Property, nor shall anything be done or permitted which shall constitute a public or private nuisance. No noise, visual or other nuisance shall be permitted to exist or operate upon the Subject Property so as to be offensive or detrimental to any other part of the Subject Property or its occupants.

Any condition or act that the Association Board or its designated representatives deems in their sole discretion to be personally offensive or detrimental toward or against any Member or resident of Catalina Bay II shall be a Nuisance violation of these rules and may be enforced by the Association Board or the Board's designated representatives as a Nuisance under this Section 1.7 Nuisance rule, as amended from time to time.

The result of every condition, act or omission that violates any provision of the Association's Governing Documents is a Nuisance, and any remedy allowed by law against a Nuisance, either public or private, including but not limited to the imposition of fines determined and assessed by the Association Board in their discretion, and enforceable by the filing and enforcement of claims of liens against a Lot and any Owner of a Lot, is applicable against the violation and is permitted without notice and without liability for trespass or any other liability connected with the determination or enforcement of a Nuisance.

Section 1.8 Electrical and Telephone Service. All electrical and telephone service installation must be placed underground.

Section 1.9 Water and Sanitation. Each structure designed for occupancy or use by human beings shall connect with water and sanitation facilities as shall be made available from time to time by the City of Granbury, Texas.

Section 1.10 Wells. No well from which water, oil, or gas is to be produced shall be dug, nor shall water, oil or gas storage tanks or reservoirs, or any installation of power, telephone, or other utility lines (wire, pipe, or conduit), be made or operated anywhere on the Subject Property except in connection with water works operated by public agencies or duly certified public utility companies, and further except in connection with rain barrel or a rainwater harvesting system as permitted in Section 1.49 hereinbelow.

Section 1.11 Drainage. No Owner shall do or permit work, construct any improvements, place any landscaping, or suffer the existence of any condition whatsoever which shall alter or interfere with the drainage pattern for the Subject Property, except to the extent such alternative and drainage pattern is approved in writing by the Association.

Section 1.12 Trash. No trash, ashes, garbage or other refuse shall be thrown or dumped on any area within the Subject Property. There shall be no outdoor burning of trash or other disposal of refuse. Each Owner shall provide suitable receptacles for the temporary storage and collection of refuse, and all such receptacles shall be screened from the public view and from the wind, and protected from animal and other disturbances. Plastic trash bags are not permitted. Owners and their lessees and guests shall not put out trash, ashes, garbage or other refuse for pick-up prior to 5:00 p.m. on the calendar day preceding the day upon which same is to be picked up and removed, and shall ensure that empty trash receptacles are removed by midnight on the day of trash pick-up. The Association encourages Owners to arrange for neighbors to assist them in complying with this Section 1.12 if they plan to leave on vacation or for other extended periods of time.

Section 1.13 Swimming Pools. Pool plans will require the prior written approval of the Association. Above ground pools are expressly prohibited. The City should be contacted by the Owner to determine safety requirements for the pool.

No excavation shall be made except in connection with improvements to the Subject Property approved as provided in the Governing Documents. For purposes of this Section "excavation" shall mean a disturbance of the surface of the land (except to the extent reasonably necessary for approved landscape planting), which results in a removal of earth, rock, or other substance [to] a depth of more than 18 inches below the natural surface of the land. Prior to construction of a below ground swimming pool, an Owner should contact the Association to coordinate the point of construction access and assure that damage is not done to Common Property.

To prevent damage to the existing bulkheads (seawalls) or to the cables that extend approximately twenty (20) feet from the bulkhead into the property to "deadman" anchor supports, no digging or excavation within that 20 foot setback area from the bulkheads is permitted. Pools may not be backwashed into drainage ditches, drainage-ways, streets, any Canal areas, or other portions of the Common Property. All backwash water is to be retained on the Owner's Lot. If necessary, a hole should be dug and filled with rocks ("French drain") to provide for the needed on-site water drainage capacity. Swimming pool construction and fencing requirements may also be regulated by the City of Granbury.

Section 1.14 Tennis Courts and Basketball Goals. Tennis courts are not expressly prohibited by the Architectural Control Committee, but shall only be allowed on certain Lots. The determination by the Committee to allow a tennis court on a Lot shall be based on factors such as the size of the Lot, the desired placement of the tennis court and the visibility of such tennis court from any adjoining Lot. Any Owner desiring to construct a tennis court on his Lot must submit plans and specification in writing to the Committee as provided in these Rules And Regulations. Permanently installed basketball goals, backboards and nets shall only be permitted if they are not visible from any Private Street. Basketball goals which are freestanding and portable shall be permissible when in use during play on any Owner's Lot during daylight hours, but are not permitted to remain on any Lot when not in play or overnight if they are visible from any Private Street. Attachment of basketball goals, backboards and nets to walls or roofs of any structures is expressly prohibited.

Section 1.15 Pets. No animals, livestock, snakes, reptiles or poultry of any kind shall be kept, raised, or bred on any portion of the Subject Property, except dogs, cats, caged birds and aquarium fish (the kind and number of which may be regulated or prohibited from time to time by the Association in its sole discretion). It is expressly understood that goats, chickens, guinea hens, peacocks, lamas, alpacas, rabbits, pigeons, pigs, snakes, reptiles, sheep, ducks, cows and horses are not permitted pets, and shall not be kept on any portion of the Subject Property. All other types of animals

may not be kept on any portion of the Subject Property without the prior written permission of the Association.

Section 1.16 Pet Housing. Permitted pets may be housed at all times within an Owner's home or attached enclosed garage, and may not be permitted to run at large at any time. No outdoor houses or shelters for pets may be placed on any Lot.

Section 1.17 Pooper Scooper. No resident may permit his pet to relieve itself on any portion of the Common Property. The Association may levy a fine against a Lot and its owner each time feces is discovered on the Common Property, which is from an animal in the custody of such Lot's resident, or owner.

Section 1.18 Construction Regulation Guidelines. Construction vendors and building contractors and subcontractors shall only be permitted inside the subdivision for construction related activities; and, unless permitted seasonally by the Association otherwise, their construction related activities presence shall be restricted on Mondays through Fridays from 7:00 a.m. until 7:00 p.m., on Saturdays from 7:00 a.m. until 5:00 p.m., with no presence permitted on Sundays. All Owners and contractors shall comply with construction regulations enacted from time to time by the Association. Such regulations may affect, without limitation, the following: trash and debris removal; sanitary facilities; parking areas and vehicle parking direction; outside storage; restoration of damaged property; conduct and behavior of builders, subcontractors, and Owners' representatives on the Subject Property at any time; the conservation of landscape materials; and fire protection. During the construction of any improvements on the Property, the owner shall provide a debris fence to keep the debris from going on any adjoining Property or into any waterway.

Upon formal, written approval by the Association, construction projects or other improvements shall commence within 60 days of the approval date and shall be prosecuted diligently to completion within nine (9) months of commencement unless an extension is granted in writing by the Association. If construction is not underway within the 60 day timeframe, the approval and all waivers will expire and a new approval must be made to the Architectural Committee before construction may commence. If construction is not completed within the required 9-month period, then after notice and hearing as provided in the Bylaws, the Association may impose a fine of \$50 per day on the Owner of the Lot until construction is completed or an extension is granted or the Owner can show to the satisfaction of the Board of Directors that the delay is due to circumstances beyond the Owner's control.

Section 1.19 Prohibited Construction Practices. The following practices are prohibited:

- A. Allowing concrete suppliers and contractors to clear their equipment other than at a location designated for that purpose by the Association;
- B. Removing any rock, plant material, top soil or similar items from any property of others; or
- C. Use of surface water for construction.

Section 1.20 Temporary Structures. No temporary structures shall be permitted except as may be determined to be necessary during construction and as are specifically authorized in writing by the Association.

Section 1.21 House Numbers. Each home shall have a house number with a design and location established by the Association. In addition to any other approved location, the house number shall be located on the mailbox.

Section 1.22 Landscaping. Weather permitting, landscaping on Lots where a house is being constructed shall be completed within ninety (90) days following the earlier to occur of: (i) the date one hundred eighty (180) days following the date of issuance of a certificate of occupancy, or (ii) the date ninety (90) days after the date the home is first occupied. The utilization of non-living objects such as ornaments in the landscape must be harmonious with the character of the neighborhood and must be approved by the Association. Individual expression is permissible so long as it does not detract from this goal. Temporary holiday decorations are permitted so long as they are removed after not more than 15 days following the holiday. Maintenance requirements of the Common Property which may be performed by the Association at the Association's cost and expense include watering, mowing, edging, pruning, removal and replacement of dead or dying plants, and removal of weeds and noxious grasses. All landscaping of Lots and homes shall be installed and maintained in a neat and attractive condition as follows:

- A. **Sprinkler Systems – Ground Level and Subsidence.** When sprinkler heads are installed at the low point in an Owner's backyard next to the bulkhead, gravity will cause the sprinkler system to drain out through the low sprinkler heads causing water to back up in the ground behind the bulkhead causing ground level subsidence and stress on the bulkhead. Maintaining and repairing the proper ground level of the Lot and good

drainage off the Lot over the bulkhead to avoid water pooling and ground subsidence near the bulkhead is the Lot Owner's responsibility. Whenever possible, sprinkler heads should be installed as far uphill from the bulkhead as possible to prevent water from collecting behind the bulkhead. The spray from such sprinkler heads may be directed downhill to provide adequate irrigation to the area behind the bulkheads.

- B. **Yards and Flower Beds.** All yards and/or flower beds must be properly maintained. If not, Catalina Bay Owners Association may hire someone to take care of any necessary mowing, edging, weeding, etc. at the Property Owners expense.
- C. **Three Trees Required.** The lot must have three trees with a caliper equal to or exceeding three inches. At least two of these trees must be located in the front yard;
- D. **Species of Trees.** The trees must be of a species listed in the Approved Tree List attached as Exhibit "A";
- E. **Public Right-of-Ways.** The trees may be located in the public right-of-way provided that all private licensing requirements of the city code and charter are met;
- F. **Required Trees.** Required trees may be existing trees on the lot if the following provisions are met:
 - (i) The trees are of the correct species, size, and location;
 - (ii) The trees were protected during construction; and
 - (iii) The trees are in a healthy growing condition at the time of inspection

Section 1.23 Driveways. Driveways may not be expanded without prior approval of the Architectural Control Committee or the Association. All driveways must be kept clean and clear of debris, oil, rust and other stains.

Section 1.24 Window Covering Criteria. No reflective materials, including, but not limited to, aluminum foil, reflective screen or glass, mirrors or similar type items, or temporary window coverings such as newspapers or bed sheets shall be installed or placed upon the outside or inside of any windows of any home without the prior written approval of the Association. No drapes, blinds, shades, awnings or other items

affecting the exterior appearance of a home shall be constructed or installed in any home without the prior written consent of the Association. The Association has given blanket approval to all off-white or white or brown (or any shade thereof) or black shutters, mini-blinds, and vertical blinds on the interior of windows.

Section 1.25 No Outside Clotheslines. No laundry or wash shall be dried or hung outside any house.

Section 1.26 Antennae. No exterior radio, television, ham radio, microwave or other antenna or antenna dish or electric signal capture distribution device shall be permitted without the prior written consent of the Association and appropriate screening, except an antenna that: (i) is one meter (39.37 inches) or less in diameter or diagonal measurement, and (ii) either (a) is affixed to the rear wall (not roof) of a home, not more than ten feet above the ground, or (b) is placed on the ground in the rear yard of a home, with the maximum elevation of the antenna being five (5) feet above ground level. A satellite TV antennae (Direct TV, Dish, etc.) may be located in the rear of a home, or in the space on the left or right side of a home as long as a reasonable attempt is made to blend the antenna in with the home and/or landscaping to reduce its visibility from the front of the property.

Section 1.27 Outside Burning. There shall be no exterior fires, except barbeques, outside fireplaces, braziers, and other incinerator fires contained within facilities or receptacles and in areas designed and approved by the Association. No Owner shall permit any condition upon its portion of the Subject Property, which creates a fire hazard or is in violation of fire prevention regulations.

Section 1.28 Obstructions. There shall be no obstruction of any Common Property walkways or interference with the free use of those walkways except as may be reasonably required in connection with repairs. The Owners, their family, lessees, guests, and invitees, are granted nonexclusive easements to use the Common Property pedestrian walkways within the Subject Property. That use shall be subject to the Association Rules and Regulations adopted from time to time. The Association shall promptly take such action as may be necessary to abate or enjoin any interference with or obstruction of pedestrian walkways, and the Association may specially assess a penalty fine against the Owners or other person responsible for the interference.

Section 1.29 Camping and Picnicking. No camping shall be allowed within the Subject Property. The Association, in its discretion, may ban or permit public assemblies and rallies within the Subject Property.

Section 1.30 Waterways. The site plan and plat of subdivision for the Subject Property shows waterways labeled “Canal Area” and “Lake Granbury” adjacent to some but not all of the Lots (the “Waterways”). While ownership of a portion of the bed of the Waterways abutting a Lot may be vested in the Owner of a Lot under applicable Texas law, the Association however makes no representations or warranties that this is now or will hereafter be the case. An Owner may utilize such abutting portions of the Waterways only as follows:

- A. subject to any rules or regulations imposed by U.S. Army Corps of Engineers or by any other federal government department or agency acting in accordance with the applicable federal law;
- B. subject to any rules or regulations imposed by the Brazos River Authority or by any other authority or agency established pursuant to Texas statute, acting in accordance with the applicable Texas law;
- C. subject to any rules or regulations imposed by the City of Granbury, acting in accordance with the applicable Texas law and City of Granbury ordinances; and
- D. subject to any rules or regulations hereafter enacted by the Association, and to all restrictions imposed pursuant to the Declarations of Covenants, Restrictions and Easements.

Section 1.31 Existing Bulkheads. Developer has constructed bulkheads at the shorefront of various Lots abutting Waterways, as an erosion control device. Such bulkheads shall not be removed, modified or altered in any way without the prior written consent of the Association, as such actions may cause substantial damage to the Owner’s Lot and to other Lots and to the Common Property. The Association shall have the obligation to repair and maintain, at its sole cost and expense, such existing bulkheads, which obligation of the Association does not include the bulkhead’s top cap, constructed of decorative wood or other material.

In addition, certain maintenance of elements involving and affecting the existing bulkheads shall be the homeowner’s responsibility and shall include but not be limited to:

- A. Whenever possible, no sprinkler lines shall be installed directly alongside the bulkhead. Sprinkler heads and piping should be set back in the yard away from the bulkhead at a minimum of four feet (4’) with the spray adjusted to reach down the hill toward the bulkhead in order to prevent

drainage from the heads or from line leaks that would allow water to back up behind the bulkhead.

- B. The grade level of backyards should be maintained by Owners at a height above the bulkheads to cause storm drainage and heavy sprinklering drainage to sheet feed over the bulkheads or into installed drainage systems to avoid pooling at depressions or gaps that would allow water to infiltrate, back up and wash out behind and under the wall's bulkhead panels. Additional sod, grass or concrete (engineered and installed to shift the weight off of the bulkhead panels) should be placed along the top or behind the bulkheads to avoid these problems.
- C. Electrical lines and irrigation or drainage pipes that cross the bulkhead should be located on top of the bulkhead and not penetrate through it.

Section 1.32 Permitted Structures in Waterways. The only permitted structure which an Owner may construct within Waterways is one boat dock per Lot, to be placed upon open spaced pilings, and one-story boat lift per dock. The specific dimensions permitted square footage and construction criteria for boat piers, boatlifts and pilings will be hereafter promulgated by the Architectural Control Committee. Boat docks may not be used for commercial purposes, such as the sale of gasoline, foods and beverages, or nautical supplies. No marina may be operated by an Owner with the Subject Property. Any Owner desiring to construct a structure within or abutting a Waterway must obtain a permit from the Brazos River Authority and comply with their dimensional and orientation requirements, and must submit plans and specifications in writing to the Architectural Control Committee. The determination of such Committee to allow or disallow such a structure may be based in part upon its proposed location and the visibility of such structure from nearby Lots.

In some situations it is not possible to install a boat dock on a particular Lot in accordance with the requirements of the Declaration of Covenants, Restrictions and Easements due to such things as location of the Lot in relation to the adjacent Lots, length of the bulkhead on the Lot, etc. In such situations the Owner and the Architectural Control Committee shall work together to develop an appropriate solution.

All boat docks must have a roof, and such roof must match the roof of the residence built on the Lot to which the boat dock is attached. All such roofs are subject to the approval of the Architectural Control Committee. The criteria for matching shall include, but not be limited to, materials, color, pitch and finish out. Boat dock-related restrictions and requirements shall continue to be matters promulgated, enforced and

approved by the Architectural Control Committee, or, in its absence, the board of directors of the Association.

Section 1.33 Prohibited Structures in Waterways. No breakwaters, rip-wrap, groins, boat ramps, boat houses, marinas, freestanding pilings, buoys, or any other structures (other than a permitted boat dock/boat lift) shall be placed or caused to be placed by an Owner within or abutting any Waterways, except as may be permitted by the Architectural Control Committee or the Board.

Section 1.34 No Dredging. No Owner shall dredge or cause to be dredged any portion of the Waterways.

Section 1.35 No Wake Zone. The internal waterways inside the subdivision and shared with the neighboring The Island subdivision are controlled by the “No Wake Zone” restriction. All No Wake Zones and “NO WAKE ZONE” signs shall be stringently adhered to by Owners and their guests. This is to prevent injury to residents and guests that may be swimming or boating, and to prevent damage to the bulkheads, docks and property in the docks.

Section 1.36 Restrictions on External Lighting. No lights will be permitted on the external walls of garages, on boat docks roofs, or on the eaves, external walls, porches, or other external areas of any house, unless limited to 100 watts and recessed under roofs or eaves or shielded and limited to 100 watts and shielded so that all light is reflected upward or downward, so that light does not shine on neighbor’s Lots or houses or into the private streets or traffic. Also, all exterior lights must be noted on building plans and specifications submitted to the Architectural Control Committee, and must be switch operated. No mercury or halogen lights will be permitted.

Low-voltage lighting is permitted in planted areas to up-light plants, trees, or walls provided that such lighting does not shine on neighbor’s Lots and houses. Such lights must be switch-operated, either manually or by electronically controlled (timed) switches.

Section 1.37 Orientation of Garages. Absent the issuance of a written waiver by the Architectural Control Committee or the Board, each garage shall be oriented on a Lot so that the garage door does not face the street or streets, which abut the Lot.

Section 1.38 Vacant Lot Maintenance. It is the Lot Owners responsibility to maintain his or her own Lot in an appropriate manner so as to maintain the high standards of Catalina Bay, as follows:

Every Lot Owner shall ensure their Lot is mowed and edged along the street and the bulkhead on a regular basis. Individual fines may be assessed by the Association at any time the Association mows a privately owned Lot as a result of the failure of the Owner of such Lot to mow and edge the Lot when the grass reaches a height of six (6) inches. The Association must first send notice of the violation by: (a) a first class letter to the registered address on the Association's records, (b) by email to the registered email address on the Association's records, or (c) by phone call to the contact person and phone number designated by the property owner on the Association's records and give the owner five days to mow the property.

Section 1.39 Solid Waste Composting of Vegetation. Per Section 202.007 of the Texas Property Code, composting of grass clippings, leaves or brush, or leaving grass clippings uncollected on grass is authorized provided that the composting device is not located on the side or front of a house or any other area that is visible from a street, another Lot, or a Common Area. Appropriate steps must be taken to prevent any noxious odor from emanating from the composting device.

Section 1.40 Rain Barrels or a Rainwater Harvesting System. Per Section 202.007 of the Texas Property Code, rainwater collection systems are authorized provided that the barrel or system is of a color consistent with the color scheme of the Property Owner's home and does not display any language or other content that is not typically displayed by such a barrel or system as it is manufactured. The catchment system shall be of a size no larger than is normally found on Lots of similar size, and all materials including a rain barrel, rainwater harvesting device, or other appurtenance shall not be located on the side or front of a house or at any other location that is visible from a street, another Lot, or a Common Area. The Architectural Control Committee may require the rain barrel, rainwater harvesting device, or other appurtenance to be located underground or screened from view from a street, another Lot, or a Common Area.

Section 1.41 Implementation of Efficient Irrigation Systems. Per Section 202.007 of the Texas Property Code, the Association authorizes the installation of efficient irrigation systems, such as underground drip and other drip systems. In general, irrigation may be provided manually by water hoses, or automatically with pop-up sprinkler systems, underground drip systems, other drip systems or a combination thereof. Water can be drawn either from the city water supply or directly from the lake (with written approval of the Brazos River Authority). There are several advantages of using underground drip systems: (a) it takes very little water to irrigate plants since there is little or no evaporation; (b) due to low water demands it is relatively inexpensive to use city water rather than lake water; (c) with city water you have a ready supply of

water when the lake level is low; and (d) if the city declares special watering days or hours due to drought conditions, drip systems are usually exempt.

Section 1.42 Solar Energy Devices. Per Section 202.010 of the Texas Property Code, solar energy devices may be installed on common property or Owner's Lots unless:

- A. As adjudicated by a court, the device threatens the public health or safety, or violates a law;
- B. It is located on property owned or maintained by the Catalina Bay Owners Association, or on property owned in common by the Members of the Association, unless approved by the Association;
- C. It is located in an area on the Lot other than on the roof of the home or another approved structure or in a fenced yard or patio owned and maintained by the Lot Owner out of public view.
- D. If mounted on the roof of the home:
 - (i) it may not extend higher than or beyond the roofline;
 - (ii) it must conform to the slope of the roof and have a top edge that is parallel to the roofline;
 - (iii) it may not have a frame, a support bracket, or visible piping or wiring that is not in a silver, bronze, or black tone commonly available in the marketplace.
 - (iv) it must be installed in an area approved by the Architectural Control Committee, unless an alternate location increases the estimated annual energy production of the device, as determined by using a publicly available modeling pool provided by the National Renewable Energy Laboratory, by more than ten percent (10%) above the energy production of the device if located in an area designed by the Architectural Control Committee.
- E. if located in a fenced yard or patio, the device shall not be taller than the fence line.
- F. The device, as installed, must not void material warranties.
- G. The Association or the Architectural Control Committee shall not withhold approval for installation of a solar energy device if the above provisions are met or exceeded, unless the Association or Committee determines in writing that placement of the device as proposed constitutes a condition

that substantially interferes with the use and enjoyment of land by causing unreasonable discomfort or annoyance to persons of ordinary sensibilities. The written approval of the proposed placement of the device by all Property Owners of adjoining property constitutes prima facie evidence that such a condition does not exist.

Section 1.43. Display of Certain Religious Items. Per Section 202.018 of the Texas Property Code, Owners or residents may display or affix on the entry to the Owner's or resident's dwelling one or more religious items the display of which is motivated by the Owner's or resident's sincere religious belief.

- A. Such religious items shall not:
- (i) Threaten the public health or safety;
 - (ii) Violate a law;
 - (iii) Contain language, graphics, or any display that is patently offensive to a passerby;
 - (iv) Be in a location other than the entry door or door frame or extend past the outer edge of the door frame of the Owner's or resident's dwelling; or
 - (v) Individually or in combination with other religious items displayed or affixed on the entry door or door frame have a total size of greater than 25 square inches.
 - (vi) Except as provided above, Owner's or resident's may not use a material or color for an entry door or door frame or make an alteration to the entry door or door frame that is not authorized by the Association or Architectural Control Committee.
 - (vii) The Owners Association may remove an item displayed in violation of the above rules.

Section 1.44 Association Does Not Insure. Each Owner is solely responsible for insuring the home, Lot, and all personal property located within the home or otherwise located on the Lot, including home furnishings and motor vehicles. Personal property placed in or on the home or Lot shall be solely at the risk of the resident and the owner of such personal property. The Association urges owners and residents to purchase insurance on their home, Lot, and personal belongings.

Section 1.45 Leasing. Any Owner shall have the right to lease its home, subject to the following conditions:

- A. All leases shall be in writing; and a copy of the lease must be provided to the Association with confidential, personal information (such as Social Security numbers and Driver's Licenses) deleted;
- B. The lease shall be specifically subject to these Rules And Regulations, and the Association Articles of Incorporation, Bylaws, as they may be amended from time to time (collectively, the "Governing Documents");
- C. An Owner shall be liable for any violation of the Property documents committed by the Owner's tenant or guest, without prejudice to the Owner's right to collect any sums paid by the Owner on behalf of the tenant or guest.

Section 1.46 Compliance with Laws. Subject to the rights of reasonable contest, each Owner shall promptly comply with the provisions of all applicable laws, regulations, ordinances, and other governmental or quasi-governmental regulations with respect to all or any portion of the Subject Property.

Section 1.47. Governing Documents. The Governing Documents of the Catalina Bay Owners Association are:

- A. **Articles of Incorporation.** The Articles of Incorporation state what the Association is authorized to do under Texas law. They must be filed with the Office of the Secretary of State of Texas to be valid and they take precedence over all other Governing Documents.
- B. **Declaration of Covenants, Restrictions and Easements.** The Declaration of Covenants, Restrictions and Easements (often referred to as the "Declaration" or the "Covenants") describe in detail what the Association is authorized to do or not do. The Declaration can be modified by an amendment approved by a vote of sixty-seven percent of the Association Members. The Declaration must be recorded in the Official Records of Hood County, Texas in order to be valid and takes precedence over the Bylaws and the Rules and Regulations.
- C. **Bylaws.** The Bylaws cover the operation of the Association, such as the authority and responsibility of the Officers and Board of Directors, elections, meetings of the Board and Association, voting requirements, obligations and rights of Owners, Association records, etc. The Bylaws may be modified by an amendment approved by a majority of the Members, although they may not be amended to conflict with the

Declaration of Covenants, Restrictions and Easements. In the event of conflict, the Declaration shall prevail. The Bylaws must be recorded in the Official Records of Hood County, Texas to be valid and take precedence over the Rules and Regulations.

- D. **Rules and Regulations.** These Rules and Regulations address specific situations that affect Owners on a day-to-day basis and may be modified by amendment by the Board of Directors, preferably with input from the Members. The Rules and Regulations must be recorded in the Official Records of Hood County, Texas to be valid and may not be amended to conflict with any of the above Governing Documents. In the event of conflict, the above Governing Documents shall prevail. Both the Bylaws and the Declaration specifically authorize the Board to generate or modify Rules and Regulations for the Association, so to the extent these Rules and Regulations conflict with the Declaration's "Architectural Control" or "Construction Specifications And Use Restrictions", these Rules and Regulations shall prevail. These Rules and Regulations must be recorded in the Official Records of Hood County, Texas to be valid.

CERTIFICATE

I HEREBY CERTIFY that the foregoing and the attached Exhibit A is a true, complete, and correct copy of the Amended And Restated Rules And Regulations of **CATALINA BAY OWNERS ASSOCIATION, INC.**, a Texas non-profit corporation, as adopted by the Board of Directors of the Association by Unanimous Written Consent on October 20, 2015, to be effective on January 1, 2016.

CATALINA BAY OWNERS ASSOCIATION, INC.

Mike Taube, President

Steven Vale, Secretary

THE STATE OF TEXAS)
)

COUNTY OF HOOD)(

This instrument was acknowledged before me on October 20, 2015, by Mike Taube, President, and Steven Vale, Secretary, on behalf of the CATALINA BAY OWNERS ASSOCIATION, INC., a Texas non-profit corporation.

Notary Public, State of Texas

EXHIBIT "A"
APPROVED TREE LIST

Trees used to satisfy the landscape requirements must be one of the following species:

- 1. Caddo Maple**
- 2. Bigtooth Maple**
- 3. Trident Maple**
- 4. Chittumwood or Gum Bumelia**
- 5. Pecan**
- 6. Redbud**
- 7. Desert Willow**
- 8. Texas Persimmon**
- 9. Common Persimmon**
- 10. White Ash**
- 11. Kentucky Coffeetree**
- 12. Possumhaw or Deciduous Holly**
- 13. Youpon Holly**
- 14. Texas Black Walnut**
- 15. Ashe Juniper**
- 16. Eastern red Cedar**
- 17. Southern Magnolia**
- 18. Afgan Pine**
- 19. Austrian or Black Pine**
- 20. Japanese Black Pine**
- 21. Durand Oak**
- 22. Live Oak**
- 23. Bur Oak**
- 24. Chinkapin Oak**
- 25. Shumard Oak**
- 26. Live Oak**
- 27. Western Soapberry**
- 28. Eve's Necklace**
- 29. Pond Cypress**
- 30. Bald Cypress**
- 31. Cedar Elm**
- 32. Laceback Elm**
- 33. Crepe Myrtles**
- 34. Texas Sabals (Palm)**
- 35. Fan Palm**
- 36. Windmill Palm**
- 37. Pindo Palm**
- 38. Sago Palm**
- 39. Canary Island Date Palm**
- 40. Queen Palm**
- 41. Mexican Palm**

42. Chitalpa

After filing return to:

John A. Hall, President
Gran Country, LLC
Association Managing Agent
1201 2nd Street, Suite 102
Granbury, Texas 76048