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PO BOX 339
Granbury Texas, 76048
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RESTRICTION

Grantor: CATALINA BAY OA INC

Pages: 98

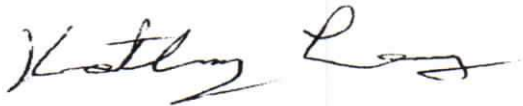
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Any provision herein which restricts the Sale, Rental, or use of the described REAL PROPERTY because of color or race is invalid and unenforceable under federal law.

**I hereby certify that this instrument was filed and duly
recorded in the Official Records of Hood County County,**



Katie Lang
County Clerk
Hood County County, Texas



Return To: In Office

GRAN COUNTRY LLC
JOHN A HALL PRESIDENT
12101 2ND STREET STE 102
GRANBURY, TX 76048



**2015 AMENDMENT TO THE CATALINA BAY
DECLARATION OF
COVENANTS, RESTRICTIONS AND EASEMENTS
January 1, 2016**

**2015 AMENDMENT TO THE CATALINA BAY
DECLARATION OF
COVENANTS, RESTRICTIONS AND EASEMENTS**

STATE OF TEXAS §
 §
COUNTY OF HOOD §

WHEREAS, this 2015 Amendment to the Declaration of Covenants, Restrictions and Easements for Catalina Bay (hereinafter the "2015 Amendment") is made on the date last subscribed below by the undersigned Owners (hereinafter referred to as "Owners" whether one or more) of at least sixty-seven percent (67%) of the platted Lots of Catalina Bay II, Phase I and Phase II-A; and

WHEREAS, MW Catalina Ltd., a Texas limited partnership (the "MWC Developer") caused to be recorded on the 19th day of July, 2003 that certain Declaration of Covenants, Restrictions and Easements for Catalina Bay (the "Original Declaration") which is recorded at Volume 1928, Page 502 in the Official Records of Hood County, Texas; and

WHEREAS, the MWC Developer caused to be recorded on the 22nd day of November, 2005 that certain Amendment by Developer effecting Lot 11 of Catalina Bay II, Phase One, which is recorded at Volume 2154, Page 508 in the Official Public Records of Hood County, Texas (the "Lot 11 Amendment"); and

WHEREAS, the MWC Developer caused to be recorded on the 24th day of April, 2006 that certain Establishment of Restrictions which is recorded at Volume 2192, Page 0909 in the Official Public Records of Hood County, Texas (the "April 2006 Restrictions"); and

WHEREAS, the MWC Developer caused to be recorded on the 26th day of September, 2006 that certain Establishment of Restrictions which is recorded at Volume 2238, Page 0242 in the Official Public Records of Hood County, Texas (the "September 2006 Restrictions"); and

WHEREAS, Catalina Bay Land Acquisitions, LP, a Texas limited partnership (the "Catalina Bay Developer") caused to be recorded on the 20th day of December, 2006 that certain Establishment of Restrictions which is recorded at Volume 2262, Page 0296 in the Official Public Records of Hood County, Texas (the "December 2006 Restrictions"); and

WHEREAS, Catalina Bay Land Acquisitions, LP, a Texas limited partnership (the "Catalina Bay Developer") caused to be recorded on the 30th day of November, 2009 that certain Amendment To The Declaration Of Covenants, Restrictions and Easements For Catalina Bay, dated November 30, 2009, which is recorded at Volume 2516, Page 0844 in the Official Public Records of Hood County, Texas (the "November 30, 2009 Deannexation Amendment"); and

WHEREAS, the Original Declaration, the Lot 11 Amendment, the April 2006 Restrictions, the September 2006 Restrictions, and the December 2006 Restrictions, which were referred to in the November 30, 2009 Deannexation Amendment collectively as the "Amended

Declaration,” and the November 30, 2009 Deannexation Amendment, are amended hereby and are hereinafter referred to collectively as the “2015 Amended Declaration”; and

WHEREAS, this 2015 Amended Declaration is a complete amendment in its entirety of the Original Declaration, the Lot 11 Amendment, the April 2006 Restrictions, the September 2006 Restrictions, and the December 2006 Restrictions (the “Amended Declaration”); but is not an amendment to the November 30, 2009 Deannexation Amendment, which shall remain effective and in force as written and as recorded at Volume 2516, Page 0844 in the Official Public Records of Hood County, Texas; and

WHEREAS, the real property encumbered with this 2015 Amended Declaration is subject to the jurisdiction of the Catalina Bay Owners Association, Inc., a Texas non-profit corporation (the “Association”); and

WHEREAS, certain Developer rights, privileges and easements and rights of ingress and egress for construction, maintenance, management and marketing granted in the Original Declaration terminated according to Article XV, Sections 15.1 and 15.2 therein on July 10, 2008, five (5) years from the date of recording of the Original Declaration; and

WHEREAS, the Texas State Legislature adopted new laws and regulations governing property owners associations at the 2011, 2013 and 2015 regular legislative sessions; and

WHEREAS, pursuant to the Texas Property Code (“TPC”), also known as the Texas Residential Property Owners Protection Act, TPC Chapter 209, Section 209.0041. Adoption or Amendment of Certain Dedicatory Instruments, Subsection (h), which reads in part “. . . a declaration may be amended only by a vote of sixty-seven percent (67%) of the total votes allocated to property Owners in the Property Owners’ Association, in addition to any governmental approval required by law,” the Amended Declaration and the November 30, 2009 Deannexation Amendment may be amended from time to time by the affirmative vote, written consents, or any combination thereof, of Owners of at least sixty-seven percent (67%) of the platted Lots;

WHEREAS, this 2015 Amended Declaration of the Catalina Bay Owners Association, Inc., a Texas non-profit corporation (alternatively “CBOA” or the “Association”), having been distributed in “Draft” form on the 9th day of October, 2015 to the Members of the Association for comments by the Members on or before 5:00 p.m. on the 19th day of October, 2015, is the final version of this 2015 Amended Declaration following the Association’s Board of Directors’ receipt and consideration of Members’ comments, and revisions as set forth herein; and

WHEREAS, in accordance with the attached Unanimous Written Consent of Action Without A Meeting, the Board of Directors (the “Board”) of the Association unanimously approved this 2015 Amendment To The Catalina Bay Declaration of Covenants, Restrictions And Easements (the “2015 Amended Declaration”) on the 20th day of October, 2015 to be recommended to the Members of the Association for a vote of the Association’s Members of Record, verified by the Association Secretary as of the Record Date of December 10, 2015, by written consent throughout a 60-day voting period, beginning on the 20th day of October, 2015

and ending no later than the 20th day of December, 2015, requiring and upon the approval of at least sixty-seven percent (67%) of the Members; and

WHEREAS, it was announced at the properly called Meeting of the Board of Directors of the Association, held on the 12th day of December, 2015, that this 2015 Amendment was approved, to become effective on January 1, 2016 as an Amendment to the Association's Declaration of Covenants, Conditions And Restrictions, as heretofore amended, with this 2015 Amendment in order to, among other things, bring them 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 become effective on January 1, 2016, to supersede and replace, in their entirety, the Original Declaration and all subsequent Amendments thereto, with the exception that this 2015 Amendment is not an amendment to the November 30, 2009 Deannexation Amendment, which shall remain effective and in force as written and as recorded at Volume 2516, Page 0844 in the Official Public Records of Hood County, Texas.

NOW THEREFORE, the undersigned Owners of at least sixty-seven percent (67%) of the platted Lots have given their written consent to this 2015 Amendment, as certified by the Association, and hereby amend the Amended Declaration in its entirety, with the exception that this 2015 Amendment is not an amendment to the November 30, 2009 Deannexation Amendment, which shall remain effective and in force as written and as recorded at Volume 2516, Page 0844 in the Official Public Records of Hood County, Texas, as follows:

BACKGROUND AND RECITALS

Catalina Bay II is a single family, detached, residential subdivision Addition to the City of Granbury, Hood County, Texas, upon the land which is described in Article II, Section 2.1 Subject Property.

Recognizing that the Developer's rights, privileges and easements and rights of ingress and egress for construction, maintenance, management and marketing granted in the Original Declaration terminated according to Article XV, Sections 15.1 and 15.2 therein on July 10, 2008, it is desirable and necessary that the Association and the Owners of Lots in the Subject Property agree and cooperate with respect to the operation and maintenance of the Subject Property, the Association and/or the Owners of Lots in the Subject Property intend under this instrument to grant to each other certain easements and rights. The Association and the Owners of Lots also intend to provide herein for certain obligations and restrictions with respect to the operation, use, maintenance, and appearance of the Subject Property. Such easements, obligations, covenants, conditions, and restrictions shall run to the benefit of and bind the Association and the Owners of Lots within the Subject Property, and their respective successors from time to time, and shall constitute covenants running with the land.

NOW, THEREFORE, in consideration of the mutual grants, covenants, and agreements made herein, the Association, and the Owners of Lots hereby grant, covenant, and agree as follows:

ARTICLE I

DEFINITIONS

1.1 “Assessment” means any charge levied against a Lot or Owner by the Association, pursuant to the Documents or State law, including but not limited to Regular Assessments and Special Assessments levied for the maintenance, administration repair, and replacement of Common Property, and for the Association’s enforcement of Owners’ violations on the residential Lots of the covenants, conditions, restrictions, easements, rules and regulations as defined in and provided for in Article V, and Individual Assessments and Deficiency Assessments levied pursuant to Article X.

1.2 “Association” means Catalina Bay Owners Association Inc., a Texas Non-profit Corporation, whose members are the Owners of the Lots.

1.3 “Common Property” means the following areas or improvement in the Subject Property whether or not they are so designated on any deed, plat, map, survey, or recorded instrument:

- (a) any modification, replacement, addition, or improvement to the Private Streets, including any gates, guard stations adjacent to gates, fountains, landscape lighting, street lighting, and landscaped islands; and
- (b) other areas labeled “Canal Area” or labeled “easement” on the map attached as part of Exhibit “A: hereto;
- (c) the area labeled “Greenbelt Area” on the map attached as Exhibit “A” hereto and any walkways, jogging trails, bicycle trails and other improvements and any landscaping located therein;
- (d) bulkheads, breakwaters, navigation buoys, locks, dams, boat ramps and related fencing and gates, pumps, fountains and water level and circulation equipment, and all canal and related maintenance equipment located on the shoreline or in the waterways adjacent to any one or more of the Lots; and
- (e) other areas or structures declared to be Common Property by means of a duly approved and executed amendment to this Instrument.

1.4 “Lot” means a portion of the Subject Property intended for independent ownership and improved or to be improved with a single family residence (a “House”). Where the context indicates, Lot includes any structure on the Lot. For purposes of this instrument, the term “Lot” does not include the Common Property located within the Subject Property.

1.5 “Owner” means a person or persons who collectively own a 100% fee interest in a Lot, but does not include a person who holds a lien on a Lot as security for performance of an obligation.

1.6 **"Private Streets"** means the six (6) private streets that lie within the Subject Property, as more particularly described on Exhibit "A" attached hereto, including without limitation any cul-de-sac portions thereof.

ARTICLE II.

SUBJECT PROPERTY

2.1 **Subject Property.** The Subject Property is Catalina Bay II, a single family, detached, residential subdivision, containing 105 residential lots, located within Phase One and Phase II-A of the Catalina Bay II Addition in the City of Granbury, Hood County, Texas. Catalina Bay II, Phases One, Lots 1 – 75 and 94 – 98, per the Plat recorded at Slide B-236 in the Plat Records of Hood County, Texas, and Catalina Bay II, Phase II-A, Lots 76 – 101, per the Plat recorded at Slide C-79 in the Plat Records of Hood County, Texas, amended by Catalina Bay II, Phase One Amending Plat, an Addition to the City of Granbury, Hood County, Texas, per the Amending Plat recorded at Slide B-312 in the Plat Records of Hood County, Texas, amended by Catalina Bay II, Phase One, Lot 55-R, Amending Plat, an Addition to the City of Granbury, Hood County, Texas, per the Amending Plat recorded at Slide C-158 in the Plat Records of Hood County, Texas, amended by Catalina Bay II, Phase One, Lot 60-R, Amending Plat, an Addition to the City of Granbury, Hood County, Texas, per the Amending Plat recorded at Slide C-362 in the Plat Records of Hood County, Texas, and per the Amending Plat recorded at Slide P-519 in the Plat Records of Hood County, Texas, as more particularly described on Exhibit "A" attached hereto, including every Lot, building, and all Common Property, are and shall be held, transferred, sold, conveyed, leased, and occupied subject to the provisions of this instrument, and any rules promulgated pursuant to this instrument, as either may be amended from time to time. By accepting a deed to a Lot, every Owner agrees to be responsible to the other Owners and to the Association for his or her conduct and compliance with this instrument and the rules promulgated pursuant to Article XIV. Further, each Owner agrees to be responsible for the conduct and compliance of his tenants, and of his and his tenant's family, guests, employees, agents, and contractors.

2.2 **Lot Subdivision, Combination, Replat and Composite Building Site.** One or more Lots may be subdivided and replatted with the approval of all Owners of the Lots directly affected by the replatting. The size of each Lot and the density of the Lots in the Catalina Bay II Subdivision must comply with the requirements of the City of Granbury Subdivision Ordinance. Any Owner of one or more adjoining Lots (or portions thereof) may replat and consolidate such Lots or portions into one building site, with the privilege of placing or constructing improvements on such resulting site with the prior written approval of all Owners of the Lots directly affected, plus the prior written approval of the Association's Board of Directors and the Architectural Control Committee and the City of Granbury. In such case, the side set-back lines shall be measured from the resulting side property lines rather than from the Lot lines as indicated on the Plat. Combining Lots or portions thereof shall be in compliance with the City of Granbury Subdivision Ordinance, and shall not result in any remaining Lot or remaining portion of any Lot(s) being smaller in size than the smallest of any affected Lot prior to the proposed combination and replatting. The parties executing the replat will provide a copy of the recorded

replat to the Association. Replatting of Lots will not alter the number of votes and assessments allocated to each of the Lots that have been platted prior to the effective date of this 2015 Amendment to the Declaration. However, if replatting of Lots after the effective date of this 2015 Amendment reduces the number of Lots by combining Lots, the joined Lot will have one vote, and will continue to have the assessments allocated to the Lots as platted prior to the effective date of this 2015 Amendment. So by way of example, if two Lots that existed prior to the effective date of this 2015 Amendment are replatted into one joined Lot after the effective date of this 2015 Amendment, the joined Lot will continue to have the combined assessments allocated to the two Lots that were replatted into one joined Lot.

ARTICLE III. **ARCHITECTURAL CONTROL**

3.1 Architectural Control Committee. Architectural control of construction of houses and all other improvements within the Subject Property shall be vested in an Architectural Control Committee (sometimes referred to herein as the "Committee"), as hereinafter described as prescribed hereinbelow.

- (a) **Architectural Control Committee Membership.** The Architectural Control Committee will consist of at least three (3), but not more than five (5), persons appointed by the Board, pursuant to the Bylaws, a majority of whom must at all times be a current homeowner who is not offering his or her property for sale. Members of the Architectural Control Committee shall serve at the pleasure of the Board and may be removed and replaced at the Board's discretion. One member of the Architectural Control Committee need not be an Owner or a resident, and may but need not be, an architect, engineer, or design professional whose compensation, if any, may be established from time to time by the Association's Board. The Architectural Control Committee shall use its best efforts to promote and ensure a high level of quality, harmony and conformity throughout the Property.
- (b) A majority of the Architectural Control Committee's members may act respectively on behalf of the Committee. In the event of the death or resignation of any member of the Committee, the Board shall have full authority to designate and appoint a successor. No Association Member serving as a member of the Board or of the Committee shall be entitled to any compensation for services performed hereunder. The Committee shall serve at the pleasure of the Board and shall function as the representative of the Owners of the Lots for the purposes herein set forth, as well as for all other purposes consistent with the creation and preservation of a first-class residential development. The Committee shall use their best efforts to promote and ensure a high level of quality, harmony and conformity throughout the Property.
- (c) **Committee Authority Subject to the Board.** The Board may, in its sole discretion and without cause, override, reverse, alter or modify any decision made by the Architectural Control Committee. In the event of the failure of the Architectural Control Committee to act, the Board may act as the Architectural Control Committee, in which case all references in the Documents to the Architectural

Control Committee are construed to mean the Association's Board.

- (d) **Limits on Liability.** Subject to the authority of the Board, the Architectural Control Committee has sole discretion with respect to taste, design, and all standards specified by this Article. Neither the members of the Board nor the members of the Architectural Control Committee have any liability for the Board's or the Architectural Control Committee's decisions made in good faith, and which are not arbitrary or capricious. The Architectural Control Committee is not responsible for: (1) errors in or omissions from the plans and specifications submitted to the Architectural Control Committee, (2) supervising construction for the Owner's compliance with approved plans and specifications, or (3) the compliance of the Owner's plans and specifications with governmental codes and ordinances, state and federal laws.
- (e) **Prohibition of Construction, Alteration & Improvement.** Without the Committee's prior written approval, a person may not construct a dwelling or make an addition, alteration, improvement, installation, modification, redecoration, or reconstruction of or to the Property. The Architectural Control Committee has the right, but not the duty, to evaluate every aspect of construction, landscaping, and property use that may adversely affect the general value or appearance of the Property.
- (f) **Architectural Design and Construction Application.** To request approval of a Lot Owner's proposed architectural design and construction of a residence, an addition to a residence which modifies or adds to a residence, a swimming pool or outdoor spa, boat house or other structure or improvement on a Lot, the Lot Owner must make written application to the Architectural Control Committee and submit two (2) identical sets of plans and specifications showing the nature, kind, shape, color, size, materials for all proposed construction, including two (2) sets of Site Plans showing locations on the Lot and dimensions of all structures and appurtenances of the work to be performed. The Site Plan must be to scale and reference all building lines, utility easements and drainage easements, and must also include all floor plans, and framing, electrical, and plumbing plans. The submitted plans must also include engineered foundation plans depicting the finished floor elevation, and a topographical storm drainage plan also depicting the finished floor elevation and all other elevations required by the Architectural Control Committee, reflecting all surface or subsurface drainage with directional arrows indicating the planned flow of storm drainage, and showing all other improvements, retaining walls, and gutters if utilized. Landscape sprinkler systems must be designed to be installed at least four feet away from the canal or open lake body bulkheads. In support of the application, the Owner may, but is not required, to submit letters of support or non-opposition from Owners of Lots that may be affected by the proposed original design or design change. The application must clearly identify any requirement of this Declaration for which a variance is sought. No building, structure, fence, wall or improvement of any kind or nature shall be erected, placed or altered on any Lot until all plans and specifications have been submitted which

the Committee finds adequate with respect to the following matters:

- (i) Quality of workmanship and materials, adequacy of site dimensions; adequacy of structural design; proper facing of main elevation with respect to nearby streets;
 - (ii) Conformity and harmony of the external design, color, type and appearance of exterior surfaces and landscaping;
 - (iii) Location with respect to topography and finished grade elevation and effect of location and use on neighboring Lots and improvements situated thereon, and impact of any drainage arrangements;
 - (iv) The other standards set forth within this Declaration (and any amendments hereto) or as may be set forth within Rules and Regulations and Forms promulgated by the Committee and approved by the Association Board of Directors, or matters in which the Committee has been vested with the authority to render a final interpretation and decision.
- (g) **Architectural Approval.** Following at least a majority vote by the members of the Architectural Control Committee, the Architectural Control Committee will return one set of plans and specifications to the applicant marked with the Architectural Control Committee's response, such as "Approved," "Conditionally Approved As Noted," "Denied," or "More Information Required." The Architectural Control Committee will retain the other set of plans and specifications, together with the application, for the Architectural Control Committee's files. Verbal approval by any Association Director or Officer, or the Association's Manager, or by less than a majority of the members of the Architectural Control Committee, does not constitute architectural approval by the appropriate Architectural Control Committee, which approval must be in writing.
- (h) **Deemed Approval.** Under the following limited conditions, the applicant may presume that his or her request has been approved by the Architectural Control Committee:
- i. if the applicant or a person affiliated with the applicant has not received the Architectural Control Committee's written response approving, denying, or requesting additional information within thirty (30) days after delivering his complete application to the Architectural Control Committee; or
 - ii. if the proposed improvement or modification strictly conforms to requirements and construction specifications contained in this Declaration and in any design guidelines for the Property in effect at the time of application.
 - iii. If those conditions are satisfied, the Owner may then proceed with the improvement, provided he adheres to the plans and specifications which accompanied his application, and provided he initiates and completes the

improvement in a timely manner. In exercising deemed approval, the burden is on the Owner to document the Committee's actual receipt of the Owner's complete written application. Under no circumstance may approval of the Architectural Control Committee be deemed, implied, or presumed for an improvement or modification that would require a variance from the requirements and construction specifications contained in this Declaration and in any design guidelines for the Property in effect at the time of application.

- (i) **No Approval Required.** No approval is required to repaint exteriors in accordance with the same color or colors previously approved by the Architectural Control Committee, or to rebuild a dwelling in accordance with any previously approved plans and specifications. Nor is approval required for an Owner to remodel or repaint the interior of a dwelling.
- (j) **Building Permit.** If the application is for work that requires a building permit from the City of Granbury, the Architectural Control Committee's approval is conditioned on the issuance of the appropriate permit. The Architectural Control Committee's approval of plans and specifications does not mean that they comply with the requirements of the City of Granbury. Alternatively, the City of Granbury's approval does not ensure Architectural Control Committee approval.
- (k) **Neighbor Input.** The Architectural Control Committee may solicit comments on the application, including from Owners or Residents of Lots that may be affected by the proposed change, or from which the proposed change may be visible. Whether to solicit comments, from whom to solicit comments, and whether to make the comments available to the applicant is solely at the discretion of the Architectural Control Committee. The Architectural Control Committee is not required to respond to the commentors in ruling on the application.
- (l) **Architectural Guidelines.** The Association may adopt and publish forms and establish rules and procedures, which may be revised from time to time, to be followed by Members and Contractors to apply for approval by the Architectural Control Committee. And the Association may adopt and publish architectural restrictions, guidelines, and standards, which may be revised from time to time to reflect changes in technology, style, and taste.

3.2. Variance. The use of the Property is subject to the restrictions contained in this Article, and subject to rules adopted pursuant to this Article. The Architectural Control Committee may grant a variance or waiver of a restriction or rule on a case-by-case basis when unique circumstances dictate, and may limit or condition its grant. The Architectural Control Committee may authorize variances from compliance with any of the provisions of this Declaration or minimum acceptable construction standards or regulations and requirements as promulgated from time to time by the Board when circumstances such as topography, natural obstructions, Lot configuration, Lot size, hardship, aesthetic or environmental considerations may require a variance. The Architectural Control Committee reserves the right to grant variances as to building set-back lines, minimum square footage of the residence and other items.

To be effective, a variance must be in writing. In any case, however, such requested variances shall be in basic conformity with and shall blend effectively with the general architectural style and design of the community. The grant of a variance does not constitute a waiver or estoppels of the Association's right to deny a variance in other circumstances. Approval of a variance or waiver may not be deemed, implied, or presumed under any circumstance. The Committee shall be responsive to technological advances or general changes in architectural designs and related conditions in future years and use its best efforts to balance the equities between matters of taste and design (on the one hand) and use of private property (on the other hand). The granting of any variance shall not affect in any way the Owner's obligation to comply with all governmental laws and City of Granbury or Hood County ordinances or regulations affecting the property and the Plat.

ARTICLE IV

CONSTRUCTION SPECIFICATIONS AND RESTRICTIONS

4.1. Improvements Compliance. All improvements on a Lot must (1) comply with any applicable City of Granbury ordinances and codes, (2) have a building permit issued by the City of Granbury if the type of improvement requires a permit, and (3) have the Architectural Control Committee's prior written approval. These three (3) requirements are independent; that is, one does not ensure or eliminate the need for another. The Lot Owner and/or Owner's Builder or Contractor must comply with all three (3) requirements.

4.2. Single Family Residential Construction. No building shall be erected, altered, placed or permitted to remain on any Lot other than one dwelling unit per each Lot to be used for residential purposes. All dwellings and other structures must be approved in writing by the Architectural Control Committee prior to being erected, altered or placed on the Property. The term "dwelling" does not include single or double wide manufactured homes, and said manufactured homes are not permitted within the Catalina Bay subdivision. Any building, structure or improvement commenced on any Lot shall be completed as to exterior finish and appearance within nine (9) months from the commencement date. As used herein, the term "residential purposes" shall be construed to prohibit mobile homes or trailers being placed on said Lots, or the use of said Lots for duplex houses, condominiums, townhouses or apartment houses. All Lots, other than the Catalina Bay Greenbelt Trail System and Park area, shall be for residential purposes and all homes must be site constructed.

4.3. Construction Restrictions. All residential structures existing prior to January 1, 2016, which have been permitted by the City of Granbury and approved by the Catalina Bay Owners Association, Inc.'s Architectural Control Committee or by its Board of Directors, are considered to be fully permitted and approved hereunder; however any new residential dwellings or other improvements beginning construction on or after January 1, 2016 are subject to the covenants, conditions and restrictions of this amended Declaration. Notwithstanding any variances hereafter granted by the Architectural Control Committee, all dwellings shall have at least the square footage of air conditioned living area required in subsection 4.3 (c) below. All residences will face the front yard of each Lot, which "front yard" of each Lot shall be determined and designated by the Architectural Control Committee. The principal improvement on a Lot must be one detached single family dwelling, as further defined by the City of

Granbury. The dwelling size, setbacks, and exterior materials must comply with the City of Granbury Subdivision and Zoning Ordinances and with any higher standards established by Board or by the Architectural Control Committee. Without the Architectural Control Committee's prior written approval for a variance, improvements constructed on every Lot must have the characteristics described in this Article 4, which may be treated as the minimum requirements for improving and using a Lot. The Board may promulgate additional rules and restrictions, as well as interpretations, additions, and specifications of the restrictions contained in this Article. An Owner should review the Association's architectural restrictions, if any, before planning improvements, repairs, or replacements to his Lot and dwelling. In addition to the Association's Rules and Regulations, as amended from time to time by the Association's Board of Directors, all Lots within the Subject Property shall be subject to the following restrictions:

- (a) **Building Envelopes.** Each house must be placed within the building envelope established by the Committee, which must also comply with the building setback lines established and shown per the plat of the subdivision for the Subject Property.
- (b) **Building Lines.** All residences or dwellings erected or placed on any Lot shall face the road or street adjacent to the Lot as shown on the recorded plat of the Subject Property. No portion of such dwelling or residence shall be nearer to the front property line of said Lot than as designated on the recorded plat, as amended, of the Subject Property. No structure or improvement of any kind shall be nearer to the side property line of any Lot or the rear property line of any Lot than as designated on the recorded plat of the Subject Property. Regardless of the Building setback lines applicable to rear property lines and designated on the recorded plat or site plan, in no event will any dwelling or other type of building or structure (including swimming pools) be erected within 20 feet of the Lot's rear property line of any waterway abutting any such Lot. Lots with backyards next to the Greenbelt Common Area may construct swimming pools on such Lots up to 7½ feet from the rear property line. No structure or improvement of any kind shall be constructed or placed upon any Lot outside any perimeter fencing upon such Lot.
- (c) **Minimum Square Footage.** All dwellings shall have the minimum square footage of air conditioned living area required hereinbelow. "Air Conditioned Living Area" as used herein, is defined as the area measured from outside exterior wall to outside exterior wall, computed in square footage, exclusive however of any square footage contained within the garage, covered porches, and walkways. For Catalina Bay II, Phase One, the minimum square footage of houses shall be as follows: 3,000 square feet for houses located on Lots 1 through 16; 2,500 square feet for houses located on Lots 17 through 54 and located on Lots 73, 74 & 75, 2,200 square feet for houses located on Lots 55 through 72, and located on Lots 94 through 98. For Catalina Bay II, Phase II-A, the minimum square footage of houses shall be as follows: 2,500 square feet for houses located on Lots 76 through 101.

- (d) **Height of the Residence and Other Improvements upon the Lot.** The maximum height of any residence shall be two stories. The maximum height of any improvement other than the residence shall be two stories.
- (e) **New Construction.** The construction of a dwelling must be site built on a Lot and must be started promptly after the Architectural Control Committee approves the dwelling's plans and specification. At the start of construction, but not before, building material to be used in the construction may be stored on the Lot or on a nearby Lot with the approval of the Lot owner. Once started, the dwelling and all improvements on the Lot must be completed with due diligence.
- (f) **Exterior Dwelling Wall Materials.** From and as of the effective date hereof, each house and other improvements shall have exterior siding (wall material) composed of stone, stucco cement or synthetic stucco system, or a combination of stone and cement stucco or synthetic stucco. However, no brick shall be permitted to be used on the exterior siding on any improvements in the subdivision. All improvements, including garages, must be built with new construction material. The type, quality, and color of dwelling exterior wall materials must be approved by the Architectural Control Committee. Windows and doors shall be excluded in determining compliance with this restriction.
- (g) **Colors & Color Changes.** The exterior colors of buildings, window treatments visible from the street or from another dwelling, fences, walls, exterior decorative items, and all other improvements on a Lot are subject to regulation by the Architectural Control Committee. Because the relative merits of any color are subjective matters of taste and preference, the Architectural Control Committee has the discretion to determine the colors that are acceptable to the Association on new construction. Lot Owners cannot change or add exterior colors on any structures that are visible from the street, a Common Area, or another Lot without the prior written approval of the Architectural Control Committee.

All window treatments within the dwelling that are visible from the street or another dwelling must be maintained in good condition and must not detract from the appearance of the Property. The Architectural Control Committee may require an Owner to change or remove a window treatment that the Architectural Control Committee determines to be inappropriate or unattractive. The Architectural Control Committee in their sole discretion may prohibit the use of certain colors or materials for window treatments.

- (h) **Dwelling Addresses and Mailboxes.** All dwellings shall have a cast stone monument address block mounted into the exterior wall of the dwelling facing the street or on the dwelling's mailbox. All constructed mailboxes shall be constructed of stone (also known as "rock") or stucco to match the exterior stone or stucco of the residence on the Lot, and shall be constructed at or near the common side property line of two lots at a curbside placement approved by the Board or the

Architectural Control Committee. The Architectural Control Committee may permit and approve a uniform size and style of curbside mailbox and pedestal. An alternative standard for mailboxes permitted to be used for homes located in Catalina Bay is the Whitehall Westweed Package Bronze Aluminum mailbox, SKU 16296/1424OG/16015.

- (i) **Accessories.** Installation of all exterior items and surfaces, including address numbers, decorative hardware, external ornamentation, lights fixtures, and exterior paint and stain, is subject to the Architectural Control Committee's prior approval, including approval of design, color, materials, and location.
- (j) **Roofs.** All roofs shall be (i) approved by the Architectural Control Committee and (ii) otherwise be in compliance in all respects with applicable City of Granbury ordinances. All roofing material shall consist of concrete bell tile, the color of which must be approved by the Architectural Control Committee, or other durable material with an appearance substantially similar to concrete bell tile approved by the Association. The roof pitch of any structure shall be six (6) feet by twelve (12) feet minimum and eight (8) feet by twelve (12) feet maximum. Roof materials must have a manufacturer's warranty of at least thirty (30) years. Asphalt composite shingles and wood shake shingles shall not be permitted.
- (k) **Boat Dock Roofs.** All boat docks must have a roof, and each such roof must match the roof of the residence built on the Lot to which the boat dock is attached. All such boat dock roofs are subject to the prior written approval of the Association.
- (l) **Garages and Driveways.** Each dwelling must have an attached garage for at least two (2) full-size automobiles, but for no more than three (3) full-size automobiles. Without the Architectural Control Committee's prior written approval, the original garage area of a Lot may not be enclosed or used for any purpose that prohibits the parking of two standard-size operable vehicles therein. Garage doors are to be kept closed at all times except when a vehicle is entering or leaving. A carport or similar structure may not be installed, constructed, or maintained on any portion of a Lot.

All driveways must be surfaced with concrete, and must be constructed in accordance with standard detail adopted by the Architectural Control Committee. The driveway portion of a Lot may not be used for any purpose that interferes with its ongoing use as a route of vehicular access to the garage. No driveway may be used: (1) for storage purposes, including storage of boats, trailers, and inoperable vehicles; or (2) for repair or restoration of vehicles, boats, or trailers.
- (m) **Structural Changes.** No change to structural portions of a house or other structure or improvement (whether interior or exterior) shall be made without the prior written consent of the Architectural Control Committee or the Association.

- (n) **Exterior Changes.** No change to exterior portions of the house or to any other structures or improvements (whether structural or non-structural) may be made without the prior written consent of the Association. A change to the color of wood trim, stucco, stone, or roof shingles, or the placement of any air conditioning units, evaporative coolers, solar equipment, or other fixtures or equipment on the roof, or changes in the front-of-the-home, or the home's other visible landscaping, is a change to an exterior portion of a house or to any other structures or improvements, which requires the prior written approval of the Architectural Control Committee or the Association.
- (o) **Accessory Structures and Equipment.** No buildings or other improvements (such as mailboxes, fences, swimming pools, dog houses or other pet housing structures, pergolas, gazebos, greenhouses, children's swings, playhouses or other play equipment, or boat docks attached to a Lot) shall be placed on a Lot without the prior written consent of the Architectural Control Committee which may among other elements consider for approval the design, placement on the Lot, construction materials, dimensions and color. Free standing storage sheds are not permitted. Below-ground swimming pools may be installed only with the prior written approval of the Architectural Control Committee. Above-ground swimming pools are not permitted. If an accessory structure that is visible from a street or another Lot is installed on a Lot without the prior written approval of the Architectural Control Committee, the Architectural Control Committee reserves the right to determine that the accessory structure is unattractive or inappropriate or otherwise unsuitable for the Property, and may require the Owner to relocate it, screen it, or remove it. Air conditioning equipment may not be installed in the front yard of a dwelling. Window units are prohibited.
- (p) **Temporary Structures.** No temporary dwelling, shop, portable shed, tent, trailer, mobile home, camper or recreational vehicle of any kind, or any improvements of a temporary character, except as permitted during construction approved by the Architectural Control Committee permitting that the Builder or Contractor may have temporary improvements (such as a construction trailer and/or a portable toilet) on a given Lot during construction of the residences on that Lot. Dwellings under construction shall be required to have one portable toilet for up to three houses and one trash container (plywood box) per house, which must be onsite before foundation forms are set and continuously until the required final building inspection. No building materials of any kind or character shall be placed or stored upon the property until the Owner thereof is ready to commence construction of improvements, and then, unless otherwise permitted by the Architectural Control Committee and the owner of a nearby vacant Lot, such materials shall be placed within the property lines of the Lot upon which the improvements are to be erected.

- (q) **Occupancy.** Other than the completed principal dwelling, no thing or structure on a Lot may be occupied as a residence at any time by any person. This provision applies, without limitation, to the garage, mobile homes, recreational vehicles, campers, tents, and storage sheds.
- (r) **Maintenance.** Each house and all structures and improvements on Lots shall be maintained in good condition and repair by the Lot owners.

4.4. Fences and Walls. All fences and walls shall be subject to the written approval of the Architectural Control Committee prior to construction, and shall be no closer to the front street property lines than the front line of the house. No chain link fences or other wire type fences shall be erected or located on any Lot, and no fences or walls constructed of wood will be allowed. No fence, wall or hedge shall be erected, or placed on any Lot nearer to any street than the minimum building setback line indicated on the recorded plat of the Subject Property or the recorded site plan. Other than screening approved by the Architectural Control Committee in accordance with Section 4.5. below, no newly constructed fence, wall or hedge shall exceed four (4) feet in height. Retaining walls must be constructed entirely with Architectural Control Committee-approved materials. Railroad ties may not be used for a retaining wall. The design and construction of any fencing, wall, retaining wall, or hedge on a Lot shall comply with any supplemental Rules and Regulations hereafter enacted by the Board.

4.5. Screening. The Architectural Control Committee shall, unless permitted by a written Variance granted in accordance with Section 3.2, require that the following items must be screened from the view of the public and neighboring Lots and dwellings, if any of these items exists on the Lot: (1) all swimming pool equipment or stored supplies; (2) dog houses or other pet housing structures; (3) greenhouses; (4) children's swings, playhouses or other play equipment, if approved by the Architectural Control Committee; (5) satellite reception equipment; (6) garbage or trash containers; (7) yard maintenance equipment; (8) propane tanks; (9) air conditioning equipment; (10) wood piles and compost piles; (11) accessory structures that do not have prior approval of the Architectural Control Committee; and (12) anything determined by the board to be unsightly or inappropriate for a residential subdivision. Screening from view may be achieved by a stone or stucco wall or with plant material, such as trees and bushes, or any combination of these as may be approved by the Architectural Control Committee in its sole discretion. As used in this Section, "screened from view" refers to the view of a person in a passenger vehicle driving on a street, or the view of a person of average height standing in the middle of a yard of an adjoining Lot.

4.6. 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 Brazos River Authority. 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 submit plans and specifications in writing to the Architectural Control Committee as provided in this instrument. 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.

4.7. Drainage. No person may impair or interfere with the natural established drainage pattern over any part of the Property unless an adequate alternative provision for proper drainage has been approved by the Architectural Control Committee and any applicable governmental authority.

4.8. Reserved Easements: Installation of Utilities. All Private Streets, Canal Areas, Greenbelt Areas and easements shown or established per the recorded plat of the Subject Property or on the Site Plan attached hereto have been reserved for the purposes indicated. No Owner may erect any structure of any type whatsoever in these areas, nor may an Owner use the surface of such an area for any private use. With respect to easement areas, as well as any other areas described within recorded easement documents, and also with respect to all of the Common Property, any and all bona fide public utility service companies shall have the right of access, ingress, egress, regress and use of the surface estate for the installation and maintenance of underground utility facilities, provided the Association has first issued written approval to such public utility companies. All dwellings must be connected to the sewer system provided by the City of Granbury and all dwellings must also be served with water and electricity. Subject to the Brazos River Authority and City of Granbury permit requirements and related rules and regulations, each Lot in Catalina Bay and the subdivision's Common Areas may irrigate their yards using water pumped from Lake Granbury. Individual water supply and sewage disposal systems are not otherwise permitted. All utility lines and equipment must be located underground, except for surface equipment necessary to maintain, operate, or read underground facilities, such as meters, risers, service pedestals, and transformers. The Architectural Control Committee shall require that utility meters, risers, pedestals, and transformers be visually screened from the street and neighboring lots.

4.9. Utility Facilities. No microwave tower, cellular towers, telephone poles, or other aerial utility facilities of any type (except meters, risers, service pedestals and other surface installations not exceeding four feet in height necessary to maintain or operate appropriate underground facilities) shall be erected or installed within the Subject Property, whether upon Lots, easements, private streets, or rights-of-way of any type, either by a utility company or by any other person or entity (including but not limited to any person owning or acquiring any part of the Subject Property) and all utility service facilities (including but not limited to water, sewer, gas, electricity, cable and telephone) shall be buried underground under Common Property for the purpose of serving any structure located on any part of the Subject Property.

4.10. Common Property Improvements. The Association may, at the Association's cost and expense, develop and construct bulkheads, navigational buoys, offshore breakwaters and groins, street lighting, pedestrian pathways, signage, and security gates within the Common Property. And, conditioned upon receiving a written vote of approval from a majority of the

Members of the Association, at the Association's cost and expense, structures or other above-ground improvements may be developed and constructed by the Association upon any Common Property. When constructed, such improvements shall constitute a portion of the Common Property, and the Association shall be responsible for repair and maintenance of same.

ARTICLE V

PROPERTY USE RESTRICTIONS

5.1. Appearance. Both the Lot and the dwelling must be maintained in a manner so as not to be unsightly when viewed from the street or neighboring Lots. The Architectural Control Committee is the arbitrator of acceptable appearance standards.

5.2. Leasing of Homes. An Owner may lease the dwelling on his Lot. Whether or not it is so stated in a lease, every lease is subject to this Declaration, and the Association's Bylaws and Rules and Regulations (herein the "Documents"). An Owner is responsible for providing his tenant with copies of the Documents and notifying him of changes thereto. Failure by the tenant or his invitees to comply with the Documents, federal or state law, or local ordinance is deemed to be a default under the lease. When the Association notifies an Owner of his tenant's violation, the Owner will promptly obtain his tenant's compliance or exercise his rights as a landlord for tenant's breach of lease. If the tenant's violation continues or is repeated, and if the Owner is unable, unwilling, or unavailable to obtain his tenant's compliance, then the Association has the power and right to pursue the remedies of a landlord under the lease or state law for the default, including eviction of the tenant. The Owner of a leased Lot is liable to the Association for any expenses incurred by the Association in connection with enforcement of the Documents against his tenant. The Association is not liable to the Owner for any damages, including lost rents, suffered by the Owner in relation to the Association's enforcement of the Documents against the Owner's tenant.

5.3. Use Restrictions against Home Business or Profession. The use of a Lot is limited exclusively to residential purposes or any other use permitted by this Declaration. No activity whether for profit or not, shall be conducted on any Lot which is not related to single family residential purposes, unless said activity meets the following criteria: No Owner, Resident or Member shall conduct, transmit, permit or allow any type or kind of home business or home profession on any Lot or within any residence which would:

- (a) attract automobile, vehicular or pedestrian traffic to the Lot;
- (b) involve lights, sounds, smells, visual effects, pollution and the like which would adversely affect the peace and tranquility of any one or more of the Residents within Catalina Bay (The use of outdoor mercury lighting on any Lot is expressly prohibited. All residents must exercise reasonable care to avoid making or permitting noises to be loud, disturbing, or objectionable, and to avoid making or permitting noxious odors, that are likely to disturb or annoy residents of neighboring Lots. The Association's Rules may prohibit the use of loud, disturbing, or objectionable, noise-producing, security devices and wind chimes); or

- (c) require any signage. Any such advertising signs are prohibited. This restriction is waived in regard to the customary sales activities required to sell homes in Catalina Bay.

This residential restriction does not, however, prohibit a resident from using a dwelling for personal business or professional pursuits provided that: (1) the uses are incidental to the use of the dwelling as a residence; (2) the uses conform to applicable governmental ordinances; (3) there is no external evidence of the uses; (4) the uses do not entail visits to the Lot by employees or the public in quantities that materially increase the number of vehicles parked on the Street; and (5) the uses do not interfere with residents' use and enjoyment of neighboring Lots.

5.4. Landscaping and Yard Maintenance. Prior to occupancy of any dwelling, each Lot on which a dwelling is constructed shall have landscaping installed and maintained in compliance with the requirements of the City of Granbury, at least including two 3" caliper trees in the front yard and one 3" caliper tree in the backyard, plus including shrubs, ground cover and grass of a sufficient quality, quantity and design to be compatible with Catalina Bay, as approved by the Architectural Review Committee. Individual Owners or Residents (including lessees), at such Owner's or Residents' (including lessees') sole expense, are obligated to water, mow, trim, fertilize and otherwise maintain such Owner's or Resident's (including lessees') yard. Further subject to the provisions in the Association's Rules and Regulations, the Association shall have a blanket "Yard Power Easement" on and over the yard areas of all Lots in the entire Property. If in the opinion of the Association's Board an Owner or Resident either violates the landscaping or yard watering, mowing, trimming, fertilizing, or other maintenance rules of this Declaration, or of the ByLaws, or of other rules promulgated by the Association's Board, or in the sole opinion of the Board causes or allows damage to occur to his yard, plant beds, other landscaping, or sprinkler system, the Association may perform such landscaping or yard mowing, trimming, fertilizing, or other maintenance which the Association deems appropriate at the offending Owner's or Resident's expense, and such Owner or Resident shall be liable for the cost of any yard maintenance, repair or restoration which may be performed by Declarant or the Association. The Owner of a Lot is liable to the Association for any expenses incurred by the Association in connection with enforcement of the landscaping and yard maintenance requirements of this Article. No person may perform landscaping, planting, or gardening on the Common Area without the Board's prior written authorization.

5.5. Garbage & Trash Disposal and Debris. No Lot or any Common Area may be used or maintained as a dumping ground for rubbish. Trash, garbage, other waste or debris shall not be allowed to accumulate, shall be kept in sanitary containers and shall be disposed of frequently and regularly. All equipment for storage or disposal of such material shall be kept in a clean and sanitary condition, out-of-public-site location, and shall be screened by a stone or stucco wall as provided in Section 4.5 above. Garbage and trash or other debris accumulated in Catalina Bay shall not be permitted to be dumped at any place upon adjoining land where a nuisance to any residence of Catalina Bay or to a neighbor of Catalina Bay is or may be created.

Materials incident to construction or repair of improvements on a Lot may be stored temporarily on the Lot during construction while work progresses and must be removed when construction or repair is complete. However, construction waste materials and debris shall not be

allowed to accumulate, shall be kept in sanitary containers and shall be disposed of frequently and regularly.

In the event of the failure of any Owner to comply with the above requirements after ten (10) days written notice thereof, the Association or their designated agents may, without liability to the Owner, Contractor or any occupants of the Lot in trespass or otherwise enter upon (and/or authorize one or more others to enter upon) said Lot, cause to be removed, such garbage, trash, construction waste materials, and any other rubbish and debris, or do any other thing necessary to secure compliance with this Declaration. Payment for the charges by the offending Owner shall be payable on the first day of the next calendar month, and collection of such charges, plus interest and any penalties which may be assessed by the Association shall be subject to a lien which the Association may enforce against the Owner's Lot.

5.6. Television, Electronic Equipment, Etc. Each resident of the Property will avoid doing or permitting anything to be done that may unreasonably interfere with the television, radio, telephonic, electronic, microwave, cable, or satellite reception on the Property. Antennas, satellite or microwave dishes, and receiving or transmitting towers that are visible from a street or from another Lot are prohibited within the Property, except that (1) reception-only antennas or satellite dishes designed to receive television broadcast signals, (2) antennas or satellite dishes that are twenty-four inches (24") or less in diameter and designed to receive direct broadcast satellite service (DBS), or (3) antennas or satellite dishes that are twenty-four inches (24") or less in diameter or diagonal measurement and designed to receive video programming services via multipoint distribution services (MDS) (collectively, the "Antenna") are permitted if located (a) inside the structure (such as in an attic or garage) so as not to be visible from outside the structure, (b) in a fenced yard, or (c) attached to or mounted on the rear wall of a structure below the eaves. If an Owner determines that an Antenna cannot be located in compliance with the above guidelines without precluding reception of an acceptable quality signal, the Owner may install the Antenna in the least conspicuous location on or near the roof where an acceptable quality signal can be obtained. The Association may adopt reasonable rules for the location, appearance, camouflaging, installation, maintenance, and use of the Antennas to the extent permitted by public law.

5.7. Vehicles. All vehicles on the Property, whether owned or operated by the residents or their families and guests, are subject to this Section and Rules adopted by the Board. The Board may adopt, amend, and repeal rules regulating the types, sizes, numbers, conditions, uses, appearances, and locations of vehicles, and rules and restrictions of parking of vehicles in the streets and on the Property. The Board may effect the removal of any vehicle in violation of this Declaration or the Rules without liability to the Owner or operator of the vehicle.

5.8. Prohibited Vehicles. Without prior written Board approval, no boat, marine craft, hovercraft, trailer, aircraft, recreational vehicle, pick-up camper, camper body, travel trailer, motor home, mobile home, bus, commercial truck cabs, trucks with tonnage over one ton, vehicles which are not customary personal passenger vehicles, and any vehicle or equipment, or unregistered automobile or truck, which the Board deems to be a nuisance, unsightly, or inappropriate may be parked for storage in a driveway or front yard of any dwelling or parked on any street in Catalina Bay, nor shall any such vehicle or equipment be parked for storage in the

side or rear yard of any residence. No such vehicle shall be used as a residence or office temporarily or permanently. This restriction shall not apply to any registered and licensed vehicle, boats or trailers allowed by the Association's Rules And Regulations for temporary parking in a property owner's residence driveway or in an area approved by the Architectural Control Committee or the Association; nor shall this restriction apply to any vehicle, machinery or equipment temporarily parked and in use for the construction, maintenance or repair of a residence in the immediate vicinity. Vehicles that transport inflammatory or explosive cargo, except those used by a Builder during the construction or repair of improvements, are prohibited from the Property at all times.

5.9. Animal Restrictions. No animal, bird, fish, reptile, or insect of any kind may be kept, maintained, raised, or bred anywhere on the Property for any commercial purpose or for food. Customary domesticated household pets may be kept for personal companionship subject to rules adopted by the Board. The Board may adopt, amend, and repeal rules regulating the types, sizes, numbers, locations, and behavior of animals at the Property. If the rules fail to establish animal occupancy quotas, no more than four (4) domesticated household pets may be maintained on each Lot. Pets must be kept in a manner that does not disturb the peaceful enjoyment of residents of other Lots. Pets must be maintained inside the dwelling, or may be kept in a fenced yard only if they do not disturb residents of other Lots. Any pets permitted by a resident to be outdoors in Catalina Bay, other than in a fenced yard, must be strictly controlled by such resident, either on a leash, physically held by the resident or otherwise physically contained and controlled. Every resident is responsible for the removal of his pet's wastes from the Common Area or from the Lot of another Owner. All dogs and cats must be properly vaccinated and tagged for health, safety and identification.

5.10. Signs, Flags and Flagpoles. There shall be no signs, including but not limited to "garage sale" signs, flags and flagpoles which are temporary in nature, except those temporary signs, flags and flagpoles approved in writing by the Architectural Control Committee or required to be permitted by law. 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, requiring that the display of certain flags be permitted, no signs, flags or flagpoles of any kind, except as specified in the recorded Rules and Regulations and Policies of the Association, shall be displayed to the public view on or from any portion of the Property, except those signs, flags and flagpoles approved in writing by the Architectural Control Committee 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, flag or flagpole, or unsightly object may be erected, placed, or permitted to remain on the Property, or permitted in or on vehicles on the Property, or permitted to be visible

from windows in the dwelling, without the Architectural Control Committee'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 location, nature, material, appearance, dimensions, number, and time period of display of any sign, flag, flagpole or other 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 or public display of a sign, flag, flagpole or object anywhere in Catalina Bay which the Association Board or its designated representative has not approved in writing or 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 Nuisance restriction hereinbelow.

5.11. Nuisance or Annoyance. No Lot or Common Area may be used in any way that: (1) may reasonably be considered annoying or a nuisance to neighbors; (2) may be calculated to reduce the desirability of the Property as a residential neighborhood; (3) may endanger the health or safety of residents of other Lots; (4) may result in the cancellation of insurance on the Property; or (5) violates any law. The Association's Board has the sole authority to determine what constitutes an annoyance or 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, which shall be determined in the sole discretion of the Association Board or its designated representatives. 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 shall be a Nuisance or Annoyance violation of these rules and may be enforced by the Association Board or the Board's designated representatives as a Nuisance or Annoyance under this Section 5.11 Nuisance or Annoyance 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.

5.12. Guns. Hunting, shooting, or the discharge or use of firearms is not permitted anywhere on or from the Property.

5.13. Fires. Except for barbecue grills, and fire pits approved by the Architectural Control Committee or the Association, no exterior fires on the Property are permitted.

5.14. Association's Right to Promulgate Rules. The Association, acting through its Board, is granted the right to adopt, amend, repeal, and enforce reasonable Rules, and penalties for infractions thereof, regarding the occupancy, use, disposition, maintenance, appearance, and enjoyment of the Property. The Association shall have the sole and absolute discretion to determine what constitutes a nuisance or annoyance. In addition to the restrictions contained in this Article, each Lot is owned and occupied subject to the right of the Board to establish Rules, and penalties for infractions thereof, governing:

ARTICLE VI.

GRANT OF STREET EASEMENT AND WATERWAYS EASEMENT TO ASSOCIATION

6.1. Streets Within Property. Private streets are part of the Common Area, which is governed by the Association. To the extent not prohibited by public law, the Association, acting through the Board of Directors, is specifically authorized to adopt, amend, repeal, and enforce rules, regulations, and procedures for use of the streets, including but not limited to:

- (a) Identification of vehicles used by Owners and residents and their guests.
- (b) Designation of speed limits and parking or no-parking areas.
- (c) Limitations or prohibitions on curbside parking.
- (d) Removal or prohibition of vehicles that violate the Association's applicable Rules and Regulations adopted by the Board of Directors.
- (e) Fines for violations of the Association's applicable rules and regulations.

6.2. Street and Waterways Easements. Subject to the provisions of this 2015 Amendment to the Declaration, the grant and conveyance by the Developer to the Association in the Declaration recorded on the 19th day of July, 2003 for the use and benefit of the Association and all present and future Owners is hereby affirmed as follows:

- (a) a non-exclusive and perpetual easement (the "Street Easement") over and across the Private Streets situated within the Subject Property, and all improvements thereon, to use same for purposes of ingress, egress, passage, and delivery by vehicles and pedestrians to and from the Subject Property and the placement of underground utility lines; and
- (b) a non-exclusive and perpetual easement (the "Waterways Easement") to utilize that portion of any Lot which may be submerged beneath waters of any area labeled "Canal Area" (same being shown on the site plan), for the purpose of navigation,

dredging, placement of navigational buoys, and installation of any anti-erosion improvements the Association may in the future deem appropriate.

6.3. Grant of Easements Appurtenant to Lots. The Street and Waterways Easements have been granted, and are hereby affirmed, subject to those matters of record in the Public Records of Hood County, Texas as of the date of the Declaration recorded on the 19th day of July, 2003. In particular, the plat of the subdivision for the Subject Property imposes restrictions on the Street Easement. The Street Easement and Waterways Easement shall be deemed appurtenant to and run with the ownership of Lots until terminated per Article XV hereof. The Association may in its sole discretion permit the benefit of such Easements to run to the Owners, tenants and other occupants of Lots for the duration of such occupancy; but any such permissive use is not intended nor shall it be construed as creating any third-party beneficiary or other types of rights in or for the benefit of any person or persons, nor, in any event, shall any amendment of this Declaration ever require the consent or joinder of any person who is not an Owner.

ARTICLE VII.

ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

7.1. Membership. Every Owner of a Lot shall automatically be and must remain a Member of the Association (a "Member") in good standing. The Board of Directors of the Association may declare that an Owner is not a Member in good standing because of past unpaid assessments, fines, late charges, interest and legal fees. Although the Board of Directors may not suspend the voting rights of any Member, the Board may temporarily suspend rights to use of the common areas and common amenities of any Member who is not in good standing until such past unpaid amounts are paid in full.

7.2. Voting Rights. The Association shall have one class of voting membership. All Members shall have the right to vote as governed by the Association's Bylaws.

7.3. Quorum, Notice and Voting Requirements. The quorum, notice and voting requirements of and pertaining to the Association are set forth within the Articles of Incorporation and Bylaws of the Association, as same may be amended from time to time.

ARTICLE VIII.

GENERAL POWERS AND DUTIES OF BOARD OF DIRECTORS

8.1. Association Board of Directors. The affairs of the Association shall be conducted by its Board of Directors (hereinafter referred to as the "Board"). The Board shall be selected in accordance with the Articles of Incorporation and Bylaws of the Association. The Board, for the benefit of the Common Property and the Owners, shall provide, and shall pay for out of available Association funds, the following:

- (a) **Common Property Care.** Care and preservation of the Common Property and the furnishing and upkeep of any desired personal property for use in the Common Property;
- (b) **Common Service Arrangements.** Any private trash and garbage collection service and security arrangements;
- (c) **Common Property Operations.** Taxes, insurance and utilities (including, without limitation, electricity for operation of street lighting, and water and sewer charges) which pertain to the Common Property only;
- (d) **Managing Agent.** The services of a person or firm to manage the Association or any separate portion thereof, to the extent deemed advisable by the Board, and the services of such other personnel as the Board shall determine to be necessary or proper for the operation of the Association, whether such personnel are employed directly by the Board or by a manager designated by the Board;
- (e) **Professional Services.** Legal and accounting services; and
- (f) **Common Area Maintenance, Repairs, Construction.** Any other materials, supplies, furniture, labor and services obtained in connection with maintenance, repairs, structural alterations or new construction of common areas and common amenities, which the Board is required to obtain or pay for pursuant to the terms of this Declaration or which in its opinion shall be necessary or proper for the operation or protection of the Association or for the enforcement of this Declaration.

8.2. Powers and Duties. The Board shall have the following rights, powers and duties:

- (a) **Tax Assessment.** to execute all declarations of ownership for tax assessment purposes with regard to any of the Common Property;
- (b) **Agreements and Contracts.** to enter into agreements or contracts with insurance companies, taxing authorities and the holders of first mortgage liens on the individual Lots with respect to:
 - (i) taxes on the Common Property;
 - (ii) insurance coverage (if any) on Common Property; and
 - (iii) utility installation, consumption and service matters;
- (c) **Association Borrowing.** on behalf of and for the benefit of the Association, to borrow funds to pay costs of operation, secured by assignment or pledge of rights against delinquent Owners, if the Board sees fit or secured by such other assets of the Association as are deemed appropriate by the lender and the Association;

- (d) **Contracts and Banking.** to enter into contracts, maintain one or more bank accounts, and, generally, to have all the powers necessary or incidental to the operation and management of the Association;
- (e) **Common Property Protection.** to protect or defend the Common Property from loss or damage by suit or otherwise, to sue or defend in any court of law on behalf of the Association and to provide adequate reserves for repairs and replacements;
- (f) **Rules and Regulations.** to make reasonable rules and regulations for the operation of the Common Property and the Lots and to amend them from time to time;
- (g) **Annual Report to Owners.** to make available to each owner within ninety days (90) days after the end of each year an Annual Report;
- (h) **Members Assessments.** to assess the Members and adjust the assessment amount, collect, and use any insurance proceeds to repair damage or replace lost property; and if proceeds are insufficient to repair damage or replace lost property, to assess the Members in proportionate amounts to cover the deficiency;
- (i) **Enforcement of Governing Documents.** to enforce the provisions of the Association's Governing Documents, including this Declaration, the Bylaws and all Rules and Regulations established by the Board of Directors, and to fine, enjoin and/or seek damages from any Owner for violation of such provisions or rules.

8.3. Exclusive Board Powers. The Board shall have the exclusive right to contract for all goods, services and insurance, and the exclusive right and obligation to perform the functions of the Board, except as otherwise provided herein.

8.4. Contract with Owners. The Board, on behalf of the Association, shall have full power and authority to contract with any Owner for the performance, on behalf of the Association, of services which the Board is otherwise required to perform pursuant to the terms hereof, such contracts to be upon such terms and conditions and for any consideration as the Board may deem proper, advisable and in the best interest of the Association.

8.5. Reserve Funds. The Board may establish reserve funds which may be maintained and accounted for separately from other funds maintained for annual operating expenses and may establish separate, trust accounts in order to better demonstrate that the amounts deposited therein are capital contributions and not net income to the Association.

ARTICLE IX.

ADMINISTRATION OF COMMON PROPERTY

9.1. Common Property Policy. The Common Property, including Common Areas and Common Amenities, shall be administered for the benefit of the Owners of Lots.

9.2. Management. All decisions relating to the Common Property shall be vested in the Association. The Association shall have all powers and duties necessary for the administration, management, maintenance, operation, and regulation of Common Property, including but not limited to the following:

- (a) **Delegation.** to delegate the exercise of some or all of its powers and duties, from time to time, to one or more agents;
- (b) **Budgets.** to prepare, adopt, and amend budgets for revenues, expenditures, and reserves relating to Common Property;
- (c) **Reserves.** to maintain adequate reserves for periodic repair or replacement of Common Property elements, based on age, remaining useful life, quantity, and replacement cost;
- (d) **Common Property Assessments.** to levy and collect Common Property assessments;
- (e) **Hiring, Contracts and Liabilities.** to hire and terminate agents, employees, and contractors, and to make contracts and incur liabilities;
- (f) **Common Area Rules.** to adopt, amend, and enforce reasonable rules regulating the use, maintenance, repair, replacement, modification, improvement, and appearance of Common Property;
- (g) **Common Area Improvements.** to cause to be designed, constructed, repaired, improved, replaced and maintained improvements on the Common Property, as authorized and constructed in accordance with Section 4.10 hereinabove.
- (h) **Common Property Grants.** to grant easements, leases, licenses, and concessions through or over Private Streets and any other portion of the Common Property;
- (i) **Common Property Violation Fines.** if legal notice and an opportunity to be heard are given, to impose reasonable fines for violations of rules regulating the use of Common Property;
- (j) **Assessments Collection.** to adopt, enforce, and amend rules regulating the collection of delinquent assessments and the application of payments, and to impose interest and late charges for late payment of assessments, and to levy returned check charges;
- (k) **Insurance and Bonds.** to purchase insurance and bonds it considers appropriate or necessary;
- (l) **Common Property Visibility and Safety Protection.** to remove anything that, in the opinion of the Association, reduces visibility on Private Streets, interferes with

the use or maintenance of Common Property, or distracts from the appearance of Common Property, including, if necessary, the removal of items located on individual Lots facing the Private Streets and Canal Area, or Lake Granbury;

- (m) **Removal of Improperly Parked Vehicles.** to tow or cause the removal of vehicles improperly parked on the Private Streets;
- (n) **Reasonable Exercise of Powers.** to do anything necessary or desirable, and reasonably related to the functions, powers, and duties of the Association under this Article; and
- (o) **Common Property Acceptance.** to accept a conveyance of fee title in and to the Common Property, if and when a Lot Owner wishes to make such a conveyance.

ARTICLE X.

ASSESSMENTS AND FEES

10.1. Purpose of Assessments. All Lots and Owners shall be subject to assessments which shall be the Owner's personal obligation and shall be supported by an assessment lien against the Owner's Lot as provided in this Article. Assessments shall be used (i) to improve, maintain, insure, repair, and restore Common Property, (ii) to finance the exercise of its powers and duties under this Declaration, (iii) to fund reserve accounts, and (iv) to pay for any real estate taxes, insurance, utility bills, and other expenses which it is required by law or by this Declaration to secure or pay, or which in the opinion of the Association shall be necessary or proper for the operation and maintenance of Common Property or for the enforcement of the restrictions contained in this Declaration. The decision of the Association with respect to the use of Assessments shall be final so long as made in good faith.

10.2. Basis of Owners Assessments, Exception for Builders. Assessments for the Common Property shall be fixed at a uniform rate for all Lots, regardless of size, value, or location; except that any Lot owned by the first Builder who purchases and owns any given Lot, shall not be liable for regular or special Assessments until the earlier to occur of (i) the issuance of a City of Granbury certificate of occupancy for a home constructed on such Lot, or (ii) the date one (1) year after the closing of the purchase of such Lot by any such Builder; except that the Association Board of Directors is authorized from time to time to designate as the Association's "Primary Builder" a Builder owning three or more vacant Lots in the subdivision, with the Builder's commitment to build on such Lots within twelve months, with the condition that the Primary Builder shall not be liable for regular or special Assessments until the earlier to occur of (i) the issuance of a City of Granbury certificate of occupancy for a home constructed on such Lot, or (ii) the date two (2) additional years after the year of the closing of the purchase of any such Lot.

10.3. Pay Assessments. Each Owner will pay assessments properly levied by the Association against the Owner and his Lot, and will pay Regular assessments in advance as set

forth hereinbelow, without demand by the Association; except as provided for Builders and the Primary Builder in Section 10.2 above.

10.4 Owners' Compliance. Each Owner will comply with the Governing Documents as amended from time to time.

10.5. Damage Reimbursement by Owners. Each Owner will pay for damage to the Property caused by the negligence or willful misconduct of the Owner, a resident or lessee of the Owner's Lot, or the Owner or resident's family, guests, employees, contractors, agents, or invitees.

10.6. Liability for Violations. Each Owner is liable to the Association for violations of the Governing Documents by the Owner, a resident of the Owner's Lot, or the Owner's or resident's family, lessees, guests, employees, agents, or invitees, and for costs incurred by the Association to obtain compliance, including attorney's fees whether or not suit is filed.

10.7. Transfer-Related Fees. A number of independent fees may be charged in relation to the transfer of title to a Lot, including but not limited to fees for resale certificates, estoppel certificates, copies of Documents, compliance inspections, ownership record changes, and priority processing, provided the fees are customary in amount, kind, and number for the local marketplace. As of the effective date of this Declaration Amendment, a Five Hundred Dollar (\$500.00) Transfer Fee shall be charged to the Buyer of any Lot and collected by and for the benefit of the Association at the closing of the transfer of title of any such Lot. The Association Board of Directors is hereby granted the power and authority to modify and establish a higher or lower Transfer Fee in its sole discretion at any time hereafter. Transfer-related fees are not refundable and may not be regarded as a prepayment of or credit against regular or special assessments. Transfer-related fees do not apply to the following transfers unless a party to the transfer requests the corresponding documentation: (1) foreclosure of a deed of trust lien, tax lien, or the Association's assessment lien; (2) transfer to, from, or by the Association; (3) voluntary transfer by an Owner to one or more Co-Owners, or to the Owner's spouse, child, or parent. Transfer-related fees may be charged by the Association, provided there is no duplication of fees.

10.8. Lessee Application Fee. Each Lessee entering into a Lease or a renewal of a Lease for any Owner's property in the Catalina Bay subdivision beginning on or after the effective date of this 2015 Amendment shall be charged a "Lessee Application Fee" which as of the effective date hereof shall be Fifty and No/100 Dollars (\$50.00) payable to and collected by and for the benefit of the Association. The Lessee Application Fee shall also be an obligation of the Owner until paid. The Association Board of Directors is hereby granted the power and authority to modify and establish a higher or lower Lessee Application Fee in its sole discretion at any time hereafter.

10.9. Payment. Each Owner or Lessee shall make payment to the Association at its principal office or at such other place as the Association may otherwise direct. Payments shall be made in full regardless of whether an Owner or Lessee has any dispute with the Association, or with another Owner or Lessee, or with any other person regarding any matter to which this instrument relates. No Owner may exempt himself from his or his Lessee's assessment liability by waiver of the use or enjoyment of Common Property or by abandonment of his Lot. Payment of assessments shall be both a continuing affirmative covenant personal to the Owner and a continuing covenant running with the Lot. Each Owner, and each prospective Owner, is hereby placed on notice that such provision may operate to place upon him the responsibility for payment of assessments attributable to a period prior to the date he purchased his or her Lot.

10.10. Annual Budget. The Association's Board of Directors shall prepare and approve an Annual Budget for the Common Property, taking into account the estimated income and expenses for the year, including contributions to reserve funds. The Board shall make a copy of the budget available to each Owner, although an Owner's failure to receive a copy of the budget shall not affect his liability for payment of any existing or future assessments.

10.11. Regular Assessments. Regular assessments shall be determined by reference to the annual budget. If the Association's Board of Directors does not approve an annual budget or fails to determine new regular assessments for any year, or shall be delayed in doing so, each Owner shall continue to pay the regular assessment as last determined. The regular assessment shall be paid in monthly installments or in other regular periodic installments established by the Board of Directors.

10.12. Initial Rate. Except as provided in Section 10.2 above for Builders and the Primary Builder, effective as of the earlier to occur of (i) the date of the closing of the sale of a newly constructed home to a homebuyer or (ii) the date one hundred eighty (180) days subsequent to the date of issuance of a certificate of occupancy for a newly constructed home, or (iii) the date of sale of a Lot by a Builder to a person or entity who is not in the business of constructing houses for sale to third parties, an initial regular assessment of Seventy-five Dollars (\$75.00) per month shall be assessed and paid to the Association. The monthly assessment shall be due on the first day of each calendar month.

10.13. Special Assessments. In addition to regular assessments, the Association may levy, in any calendar year, one or more special assessments for the purpose of defraying in whole or in part, expenses not anticipated by the annual budget or reserve funds, or to cover shortages in the annual budget if regular assessments prove insufficient. Except as provided in Section 10.2 above, special assessments shall be levied against all Lots in the same manner as regular assessments.

10.14. Individual Assessments. An individual assessment is any assessment levied against one or more, but fewer than all, of the Lots and their respective Owners. Individual Assessments may include, but are not limited to: (i) interest, late charges and collection costs on

delinquent Assessments; (ii) court costs and attorneys' fees; (iii) reasonable fines for violations of rules adopted pursuant to this instrument; (iv) reimbursement of damage caused to Common Property, if such damage was caused by the willful or negligent act of an Owner or a person for whom the Owner is responsible; reimbursement for costs incurred by the Association in bringing an Owner and his Lot into compliance with the provisions of this Declaration; and (v) any charge payable by an Owner pursuant to the terms of this Declaration.

10.15. Reserve Funds. The Association shall establish and maintain in one or more separate interest-bearing accounts reserves for maintenance emergencies, and for repair, replacement and improvement of Common Property.

10.16. Control of Assessments:

- (a) **Assessment Increases.** At least 60 days prior to the effective date of any proposed Special Assessment or proposed increase in Regular Assessments (collectively, "such increase"), the Association Board of Directors or its designated managing agent shall notify in writing the Owner of each Lot of the amount of the budgetary basis for, and the effective date of such increase. Such increase shall automatically become effective unless disapproved prior to its effective date by Owners of at least ninety percent (90%) of the Lots at a special meeting of the Association called for that purpose. If Owners so disapprove such increase, then and until such time as a revised budget shall have been determined, the budget and the assessments in effect for the then-current year shall continue for the succeeding year.
- (c) **Improvements.** Notwithstanding anything herein to the contrary, the Owners of at least a majority (one vote over 50%) of the Lots must give their prior approval to expenditures for construction of any new improvements to the Common Property, the cost of which exceeds one-third of the then-annual budget.

**ARTICLE XI.
ASSESSMENT LIEN**

11.1 Assessment Lien. A lien in favor of the Association is created by recordation of this instrument, which constitutes record notice and perfection of the lien. The Association may, but shall not be required to, record a notice of lien. Each Owner of a Lot, by acceptance of a deed therefore, whether or not it shall be so expressed in such deed or other conveyance, is deemed to covenant and agree to pay to the Association regular Assessments, special Assessments, and individual Assessments, and the Transfer-related Fee and the Lessee Application Fee, as described in the preceding Article. All Assessments and Fees, together with interest, costs, and reasonable attorneys' fees for the collection thereof, shall be a charge on the Lot and shall be secured by a continuing lien upon the Lot against which such Assessment is made.

11.2 Priority of Assessment Lien. The Association's Assessment lien against a Lot is superior to all other liens and encumbrances on such Lot, except only for (i) a lien for real property taxes and other governmental assessments or charges against the Lot; (ii) any lien or encumbrance recorded before this instrument is recorded; and (iii) a first vendor's lien, purchase money deed of trust lien, or home improvement lien recorded of record in the Real Property Records of Hood County, Texas before the date on which the Assessment sought to be enforced becomes delinquent.

11.3. Notice and Release of Lien. To evidence the Assessment lien, the Association may, but shall not be required to, prepare written notice setting forth (i) the amount of any unpaid indebtedness; (ii) the name of the Owner of the Lot; and (iii) a sufficient legal description of the Lot. Such notice may be filed with the Hood County Clerk for recording in the Real Property Records of Hood County, Texas. After a cure or discharge of the default for which the notice was filed by the Association, the Association may cause to be recorded a release of such notice. The cost of preparing and recording a notice of lien or release of notice of lien shall be the expense of the defaulting Owner.

11.4. Foreclosure of Lien. The Assessment Lien may be enforced by judicial or non-judicial foreclosure. A foreclosure must comply with the requirements of applicable law, such as Chapter 209 of the Texas Property Code. Unless waived in writing by the Owner at the time the foreclosure is sought, the Association may not foreclose its Assessment Lien non-judicially unless the Association first obtains a court order in an application for expedited foreclosure. A non-judicial foreclosure, once approved by court order, must be conducted in accordance with the provisions applicable to the exercise of powers of sale as set forth in Section 51.002 of the Texas Property Code, or in any manner permitted by law. In any foreclosure, the Owner is required to pay the Association's costs and expenses for the proceedings, including reasonable attorneys' fees, subject to applicable provisions of the Bylaws and applicable law, such as Chapter 209 of the Texas Property Code. The Association has the power to bid on the Lot at foreclosure sale and to acquire, hold, lease, mortgage, and convey same. The Association may not foreclose the Assessment Lien if the debt consists solely of fines and/or a claim for reimbursement of attorney's fees incurred by the Association to collect such fines.

ARTICLE XII.

EFFECT OF NONPAYMENT OF ASSESSMENTS

12.1. Default in Payment of Assessment. Any regular, special or individual Assessment not received by the Association within 10 days from the due date of such Assessment shall be delinquent.

12.2. Remedies of the Association. Each Owner vests in the Association the right and power to bring all rights and remedies the Association may have hereunder and by law against an Owner delinquent in the payment of Assessments. The Association shall have the responsibility for prompt action to collect any and all delinquent Assessments. Under no circumstances,

however, shall the Association be liable to any Owner, or any other person for failure or inability to enforce collections of an Assessment.

- (a) **Interest.** In the event of default in the payment of an Assessment, the defaulting Owner shall be obligated to pay interest on the principal amount, from the due date thereof, at a per annum rate of interest to be determined by the Association, which rate may not exceed the maximum permitted by law. If the Association does not establish a rate from time to time, the rate shall be twelve percent (12%).
- (b) **Late Charges.** In addition to interest, the Association may levy reasonable late charges, in an amount to be determined by the Association and which may not exceed \$50.00 for each month the Owner's account is delinquent.
- (c) **Collection Expenses.** An Owner in default shall reimburse costs, including attorneys' fees, incurred by the Association in collecting that Owner's debt.
- (d) **Acceleration.** If an Owner is in default in payment of an installment of an Assessment, the Association may accelerate the remaining installments upon 10 days' prior written notice, whereupon the entire, unpaid balance of the Assessment shall become due on the date stated in such notice. The Association may enforce the collection of the full Assessment and all charges thereon in any manner authorized by law.
- (e) **Money Judgment.** A suit to recover a money judgment for delinquent amounts may be maintained by the Association against the Owner without foreclosing or waiving the lien securing same. Hood County, Texas, shall be the venue for any such suit.
- (f) **Notice to Mortgagees.** If an Owner defaults in payment of Assessments, the Association may notify other lienholders of the default and the Association's intent to foreclose its lien. The Association shall notify any holder of a recorded lien against a Lot who has given the Association a written request for notification of the Owner's default of the Association's intent to foreclose its lien.
- (g) **Cumulative Remedies.** The preceding remedies shall be in addition to and not in substitution for all other rights and remedies which the Association may have hereunder and by law, including the Assessment lien and the rights to foreclosure provided in the preceding Article.

ARTICLE XIII.

INSURANCE: REPAIR AND RESTORATION: SECURITY ARRANGEMENTS

13.1 Right to Purchase Insurance. The Association shall have the right and option to purchase, carry and maintain in force Insurance covering any or all portions of the Common

Property, and any improvements thereon or appurtenant thereto, for the interest of the Association and of all Members thereof, in such amounts and with such endorsements and coverage as shall be considered good sound insurance coverage for properties similar in construction, location, and use to the Subject Property. Such insurance may include, but need not be limited to:

- (a) Insurance against loss or damage to Common Property improvements by fire and other hazards covered by a standard extended coverage endorsement in an amount which shall be equal to the maximum insurable replacement value, excluding foundation and excavation costs as determined annually by the insurance carrier;
- (b) Public liability insurance on a broad form basis;
- (c) Fidelity bond coverage for all officers and employees of the Association having control over the receipt or disbursement of funds; and
- (d) Officers' and directors' liability insurance.

13.2 Insurance Proceeds. The Association and the Members shall use the net insurance proceeds to repair and replace any damage or destruction of property, real or personal, covered by such insurance. Any balance from the proceeds of insurance paid to the Association, as required in this Article XIII remaining after satisfactory completion of repair and replacement, shall be retained by the Association as part of a general reserve fund for repair and replacement of the Common Property.

13.3 Insufficient Proceeds. If the insurance proceeds are insufficient to repair or replace any loss or damage, the Association may levy a special assessment to cover the deficiency.

13.4 Security Arrangements. The original Developer arranged for the utilization of security gates at the entrance to the Subject Property; and the Association has arranged for the utilization of securities cameras at the entry and exit gates. The Association intends that the security gates, camera system and private streets concept will discourage unauthorized vehicular and pedestrian traffic within the Subject Property and foster a higher degree of peace and tranquility.

Although the Association reasonably believed that the existence and visibility of controlled access point(s) and a camera security system may discourage the commission of criminal acts (e.g., burglary, theft, etc.) within the Subject Property, nevertheless the Association does not warrant or guarantee that: (i) such security arrangements are sufficient and adequate to diminish or eliminate the commission of crimes against persons or property; or (ii) criminal acts will not be attempted or actually occur within the Subject Property. These security arrangements are not designed or intended to replace the conventional police and fire protection and paramedical services available for resident of the City of Granbury.

The Association may at its option carry public liability insurance generally covering bodily injury and property damage arising out of negligent acts by employees, or authorized representatives of the Association. The Association will not carry any insurance pertaining to, nor does it assume any liability or responsibility for, the real or personal property of the Owners (and their respective family members and guests).

Each Owner expressly understands, covenants and agrees with the Association that:

- (a) the Association has any responsibility or liability of any kind or character whatsoever regarding or pertaining to the real and personal property of each Owner.
- (b) each Owner shall, from time to time and at various times, consult with reputable insurance industry representatives of each Owner's own selection to select, purchase, obtain and maintain appropriate insurance providing the amount, type and kind of insurance deemed satisfactory to each Owner covering his or her real and personal property;
- (c) each Owner releases and holds the Association harmless from any uninsured liability, claims, causes of action or damages of any kind or character whatsoever arising out of or related (directly or indirectly) to any and all aspects of the security system and private streets within the Subject Property, including, without limitation:
 - (i) the interviewing, hiring, training, licensing, bonding and employment of security personnel;
 - (ii) the instructions, directions and guidelines issued to or by the security personnel; and
 - (iii) the duties, performance, actions, inactions or omissions of or by the security personnel;
 - (iv) each Owner will cooperate with the Association and the Architectural Control Committee in connection with the establishment, evolution and maintenance of reasonable controls on the pedestrian and vehicular traffic into and within the Subject Property and abide by any and all rules and regulations of the Association, as adopted and promulgated from time to time, related to the entry upon and use of any private streets and other Common Property, Subject Property, including without limitation those set forth herein.

ARTICLE XIV.

RULES AND REGULATIONS FOR COMMON PROPERTY AND LOTS

14.1. Rules and Regulations. The Association has adopted Rules and Regulations imposing restrictions on use of Lots and the Common Property. The Association Board of

Directors may in the Board's sole discretion add, delete, modify or otherwise amend such Rules and Regulations from time to time on the use of the Lots and the Common Property. Use and enjoyment of the Subject Property is subject to the right of the Association to establish reasonable Rules and Regulations, and penalties for infractions thereof, governing without limitation the following matters:

- (a) The use of the Private Streets by pedestrians and vehicles, including speed limits and parking restrictions;
- (b) Signs on or visible from any of the Private Streets, including but not limited to the right to limit or prohibit leasing and for sale signs, and the right to regulate subdivision name signs and directional signs;
- (c) The use and maintenance of a limited access gate system and security camera system for any of the Private Streets;
- (d) Hazardous, illegal, or annoying materials or activities in and upon Common Property;
- (e) Anything that interferes with the use, operation, or maintenance of Common Property or the administration of this Declaration; and
- (f) Liability of Owners to the Association for damage done to any portion of the Common Property.

ARTICLE XV.

AMENDMENT & TERMINATION

15.1 Termination. Termination means the termination of the term of this instrument and the easements, rights, and obligations created herein, and the subsequent distribution of any assets relating to Common Property in possession of the Association. Termination shall occur:

- (a) In the event of eminent domain or condemnation, which results in the taking of all Lots;
- (b) In the event of substantially total damage or destruction of improvements within the Subject Property, followed by a decision by Owners of at least two-thirds of the Lots to not repair or restore; or
- (c) In all other circumstances, the decision to terminate must be approved by Owners of at least 90 percent of the Lots; provided, however, the Street Easement granted to the Association in Article IV shall continue in full force and effect for so long as needed to provide vehicular access to any Lot benefited by such Easement.

15.2 Termination Agreement. Any decision by the Owners to terminate shall be evidenced by the execution of a termination agreement, as provided by Paragraph 15.4 below.

Such termination agreement shall provide for the use and distribution of assets held by the Association in accordance with the Association's Articles of Incorporation.

15.3 Amendment. This Declaration may be amended from time to time by the affirmative vote, written consents, or any combination thereof, of Owners of at least sixty-seven percent (67%) of the Lots; provided, however, that if the amendment affects fewer than all of the Lots or Owners in a subdivision, the amendment must also be approved by all of the Owners of the affected Lots.

15.4 Effective Amendment or Termination. To be effective, each amendment to this Declaration and any termination agreement must:

- (a) Reference the name of the subdivision and Association;
- (b) Reference the recording date, volume, and page numbers of this Declaration and any amendments thereto;
- (c) Be signed and acknowledged by an officer of the Association, certifying the requisite approvals of Owners, and the date or dates upon which same were obtained; and
- (d) Be recorded in the Real Property Records of Hood County, Texas

ARTICLE XVI. GENERAL PROVISIONS

16.1. General Enforcement. The Association shall have the right to enforce by legal means the provisions of this Declaration, the Bylaws and the Rules and Regulations adopted pursuant to this Declaration, and shall have the right to institute legal proceedings on behalf of or against the Owners.

16.2. Severability. Whenever possible, each provision of this instrument shall be interpreted in such manner as to be effective and valid. However, if the application of any provision of this Declaration to any person or property shall be prohibited or held invalid by court order or otherwise, then such prohibition or invalidity shall not affect any other provision or the application of such provision to other circumstances and, to this end, the provisions of this Declaration are severable.

16.3. Construction. The captions of articles and sections are inserted only for convenience and are in no way to be constructed as defining or modifying the text to which they refer. The singular shall be construed to mean the plural, when applicable, and the use of masculine or neuter pronouns shall include the feminine.

16.4. Examinations of Books and Records. Each Owner, each mortgagee of a Lot, and the Association shall be permitted to examine the books and records relating to the Common Property at reasonable times on business days, after five (5) business days prior written notice.

16.5. Headings. The headings contained in this Declaration are for reference purposes only and shall not in any way affect the meaning or interpretation of this Declaration.

16.6. Notices: Record of Owners. Any notice required to be given to any Owner or to the Association under the provisions of this Declaration shall be deemed to have been properly delivered on the third business day following deposit in the United States mails, postage prepaid, certified or registered mail, addressed to the last known address of the person who appears as an Owner on the records of the Association at the time of such mailing, or by electronic delivery. If the Association is uncertain as to which of several addresses an Owner desires to be used for notices from the Association, the Association shall send notices to both the street address of the Owner's Lot and to one (but not more than one) other address. Each and every Owner shall have an affirmative duty and obligation to originally provide, and thereafter revise and update, within thirty (30) days after a material change has occurred, various items of information helpful the Association such as: (i) the full name and address of the Owner; (ii) the business address, occupation and telephone numbers of each Owner; (iii) the description and license plate number of each automobile owned or used by Owner and regularly kept at the Subject Property; (iv) the name, address and telephone numbers of other local individuals who can be contacted (in the event the Owners cannot be located) in case of an emergency; (v) a statement as to whether the Association should send notices to the Owner at the address of his Lot or to his or her business address.

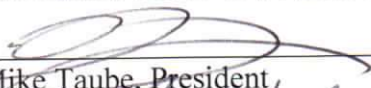
16.7. Duration. This Declaration and the Covenants, Conditions and Restrictions herein contained shall run with and bind the Subject Property Declaration, and shall inure to the benefit of and be enforceable by the Association, its legal representative, successors, and assigns, for a term ending January 1, 2065, after which time this Instrument shall be automatically extended for two (2) successive periods of ten (10) years each unless a document signed by not less than seventy-five percent (75%) of the then Owners has been recorded in the Official Real Property Records of Hood County, Texas, expressly providing that this Declaration is terminated in whole or in part; provided, however, that no such document shall be effective unless made and recorded thirty (30) days in advance of the effective date of such change.

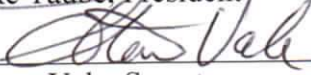
IN WITNESS WHEREOF, Catalina Bay Owners Association, Inc. has caused this 2015 Amendment to the Declaration of Covenants, Restrictions and Easements for Catalina Bay to be executed by their authorized representatives to be effective on the date first written above. By signing below, the President of Catalina Bay Owners Association, Inc. acknowledges that this 2015 Amendment was approved by Owners of at least sixty-seven percent (67%) of the Lots by the attached Written Consents of the Association Members.

CERTIFICATE

I HEREBY CERTIFY that the foregoing is a true, complete, and correct copy of the 2015 Amendment to the Declaration of Covenants, Conditions And Restrictions of CATALINA BAY OWNERS ASSOCIATION, INC., a Texas non-profit corporation, as adopted by the Members of the Association by Written Consents, to be effective on January 1, 2016.

CATALINA BAY OWNERS ASSOCIATION, INC.




Mike Taube, President


Steven Vale, Secretary

STATE OF TEXAS)
)
COUNTY OF HOOD)

This instrument was acknowledged before me on December 31, 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



After filing return to:

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