DECLARATION OF COVENANTS, CONDITIONS,
RESERVATIONS AND RESTRICTIONS.

EL DORADO, EL DORADO BAY, EL DORADO BEACH SUBDIVISIONS

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

Heretofore, on July 2, 1973, John Preston Travis and Company d/b/a/ John Preston Travis, III, Lessee/Developer of those certain real properties within the County of Franklin, State of Texas, more particularly described as follows, to-wit:

El Dorado Subdivision
Volume D, Page 150
Plat Records, Franklin
County, Texas

El Dorado Bay Subdivision
Volume D, Page 154
Plat Records, Franklin
County, Texas

El Dorado Beach Subdivision
Volume D, Page 152
Plat Records, Franklin County,
Texas

established a general plan for the improvement and development of such premises, establishing covenants, conditions, reservations and restrictions having application to each and every lot and portions of such lots in each of the three said subdivisions and subject to which covenants, conditions, reservations and restrictions each and every conveyance of each and every lot and portions of such lots in each and every of three subdivisions has been subject to, which covenants, conditions, reservations and restrictions are recorded in Volume 115 at Pages 337, et seq of the Deed Records of Franklin County, Texas. Additionally, each and every such conveyance has been subject to all of the terms and provisions of those certain Lease Agreements dated December 4, 1972, recorded in Volume 113, Pages 360, 347 and 375 of the Deed Records of Franklin County, Texas.

Now whereas, Theodore C. Burgdorf became the successor developer and lessee in place and instead of John Preston Travis, III, and whereas the undersigned Declarants are sub-lessees of tracts of land which are a part of the said three subdivision land development, and whereas said successor developer and lessee and said Declarants desire to place of record covenants, conditions, reservations and restrictions having application to the three said subdivisions, in general harmony with and supplemental to those previously placed of record by John P. Travis, III, it being the desire and intention of all of the parties hereto to restrict said land according to a common plan as to use and permissible construction, so that all of said lands shall be benefitted and each present sub-lessee, future sub-lessee and successive sub-lessee of all or a part of said lands shall be benefitted by the preservation of the value and character of the said lands.

Now therefore, for and in consideration of the mutual promises, covenants and agreements of the parties hereto, each to the others as Covenantors and Covenantees, and expressly for the benefit of, and to bind each and every sub-lessee claiming any interest in any lot or portions of lots in the three said subdivisions, and their successors in interest, the said parties agree that each and every one of these covenants, conditions,

reservations and restrictions is and all are for the benefit of each lessee or sub-lessee of land in each such subdivision or any interest therein (hereinafter referred to herein as Owner, whether one or more than one), and shall enure to and pass with each and every parcel of each said subdivision, and shall bind the respective successors in interest of the present lessor and lessees in those certain Lease Agreements dated December 4, 1972 and recorded in Volume 113 at Pages 360, 347 and 375 of the Deed Records of Franklin County, Texas.

These covenants, conditions, reservations and restrictions are to be construed as restrictive covenants running with the title to such lots and with each and every parcel thereof, and it is further agreed that the undersigned and each and every successor in interest from any undersigned will include in any sub-lease they execute, a condition that all of the covenants, conditions, reservations and restrictions will be followed in that if any of these covenants, conditions, reservations and restrictions are violated, that such violation will be a breach of the sub-lease and the sub-lease shall contain the agreement by the sub-lessee that the right of enforcement of these covenants, conditions, reservations and restrictions may be by injunction and that any one or more other lessee or sub-lessee in the said development may so enjoin their violation and further that the predecessor in interest of the violator, or the successor developer and lessee, Theodore C. Burgdorf, or his designated representative chosen from the Property Owners Association may declare the lease breached and reenter the premises and release the premises with damages to be awarded as for breach of contract and the released property to become the property of the Property Owners Association, to be disposed of by said Association or to be used as a common area of the development. The covenants, conditions, reservations and restrictions are set out as follows, to-wit:

ARTICLE ONE

DEFINITIONS

Owner

1.01 "Owner" shall mean and refer to the person or persons occupying a lot in the subdivision development under any form of tenancy, or lease or sublease; or so occupying and owning a leasehold interest; whether one or more persons or entities, to any lot or portion of a lot of which there is or will be built a detached single family dwelling, including contract lessor, but excluding those having such interest merely as security for the performance of an obligation.

Properties

1.02 "Properties" shall mean and refer to that certain real property hereinbefore described, namely the three El Dorado Subdivisions, and such additional acreage thereto as may hereafter be brought within the jurisdiction of the Property Owners Association, as agreed upon mutually between the successor developer and the Property Owners Association.

Lot

1.03 "Lot" shall mean and refer to that portion of any of the plots of land shown upon the plat and

subdivision map recorded in Volume 113 at Pages 360, 347 and 375 of the Deed Records of Franklin County, Texas on which there is or will be built a single family dwelling.

Theodore C. Burgdorf, as the previous developer has dedicated a total of four or more acres, out of lots 40 and 41 of El Dorado Bay Subdivision to the Property Owners Association for use as a common area for the benefit of all Owners and their guests to be utilized for a tennis court, for unused vehicle parking and for such other use as may be determined by the Property Owners Association.

Declarants

1.04 "Declarants" shall mean and refer to all the signatories to this agreement and to those already leasing property, to their successors and assigns if any such person (including individual, whether one or more, firm or corporation) shall acquire more than one undeveloped lot for the purpose of development.

El Dorado Property Owners Association, Inc.

1.05 "Property Owners Association" shall mean and refer to the El Dorado Property Owners Association, Inc. (hereinafter sometimes referred to as POA), a non-profit corporation which membership shall consist of all of the lessees or sub-lessees of the development. Membership in this entity shall be compulsory and shall be a condition under any lease of any property within the development.

Each member in POA, at any business meeting of the Association on each matter brought up for vote before the Association, shall be entitled to one vote for each lot owned by the member. Neighboring owners sharing interest in a common lot separating their respective lots shall be entitled to utilize the one vote for the said lot as agreed by them or, in the absence of an agreement, to one-half vote each. .

ARTICLE TWO

ARCHITECTURAL CONTROL

Architectural Control Committee

2.01 Declarants and the Property Owners Association shall designate and appoint an Architectural Control Committee consisting of not less than five qualified persons, which committee shall serve at the pleasure of the POA.

Approval of Plans and Specifications

2.02 No building, fence, wall or other structure shall be commenced, erected, or maintained upon the properties, nor shall any exterior addition to, or change or alteration therein, be made, until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to, and approved in writing by, the Architectural Control Committee as to harmony of external design

and location in relation to surrounding structures and topography, which approval shall not be unreasonably or arbitrarily withheld.

Architectural Styling

2.03 The Architectural Control Committee of the Property Owners Association shall have final authority as to exterior styling of residences. Special emphasis shall be made to insure that said styling shall be compatible with the country, wooded setting of the El Dorado Subdivisions, and shall specifically exclude Traditional, French or Early American styling. Interiors of all houses shall be left entirely to the discretion of the lessee and his architect. Building setbacks shall be approved by the Architectural Control Committee.

Failure of Committee to Act

2.04 In the event that any plans and specifications are submitted to the Architectural Control Committee as provided herein, and such Committee shall fail either to approve or reject such plans and specifications for a period of 20 days following such submission, approval by the Committee shall not be required, and the Board of Directors of the POA shall be deemed to be and shall function as the Architectural Control Committee to grant approval.

Architectural Precedence

2.05 No precedent of any prior architectural decision shall be valid evidence as to effecting any other decision.

ARTICLE THREE

EXTERIOR MAINTENANCE

Failure to Maintain the Premises

3.01 In the event an Owner of any lot shall fail to maintain the premises and the improvements situated thereon in a neat and orderly manner, the developer or the Architectural Control Committee shall have the right, through its agents and employees, to enter upon said lot and to repair, maintain, and restore the lot and exterior of the buildings and any other improvements erected thereon, all at the expense of the Owner.

Roofs

3.02 The roof on each private dwelling house, or boathouse erected upon any lot shall be constructed of composition or material that may be approved by the Architectural Control Committee.

ARTICLE FOUR

USE RESTRICTIONS

Type of Buildings Permitted

4.01 All lots in each of the three subdivisions, save only the following exceptions, shall be used for single family residential purposes only. The only permissible exception is as follows:

a. Four or more acres out of lots 40 and 41 of El Dorado Bay Subdivision, to include the present tennis court and all acreage in lot 41 north of the present tennis court, is to be held and used by the Property Owners Association for the common use of all of the residents of the subdivisions and their guests as and for a tennis court, the parking of unused vehicles and any other use designated and determined by the Property Owners Association.

No Free Standing Buildings

4.02 No free standing buildings of any kind shall be permitted, including, but not limited to, a trailer, tent, shack, garage, barn, tool shed or other outbuilding.

Temporary Facilities

4.03 Facilities used in connection with any sales or construction operations shall be subject to the approval of the Architectural Control Committee.

Animals

4.04 Pets must be confined to the owner's premises or on a leash. No pets shall be permitted to run at large. This will be strictly enforced. No residential lot shall be used for the purpose of keeping, breeding, or raising animals for commercial purposes or as a place for keeping horses, mules, cattle or other animals or poultry; provided, however, that the occupants of each residence may keep the usual and customary domestic or household pets. No commercial cat or dog kennel shall be permitted.

Zoning, Density and Subdivision of Property

4.05 No subdivision or re-subdivision of any lot or combination of lots other than as provided herein shall be permitted except upon prior approval of POA, provided, however, that individual lots may be divided between abutting owners and each owner's assessment shall be based on his pro-rata ownership of said lot. Nothing herein contained shall prohibit the construction of a single residence on two or more lots, however, such lots shall still be considered as individual lots and assessed accordingly.

Sanitation and Unsightly Objects

4.06 Uncontained, open fires are expressly prohibited. All lots shall be kept clean and free of trash,

rubbish, garbage, debris, or other unsightly objects or materials at all times. Trash, garbage or other wastes shall be disposed of in a sanitary manner and all containers or other equipment for the storage or disposal of garbage and trash shall be kept in a clean, sanitary condition inside garages, behind decorative fencing or otherwise hidden from view from the street. POA shall have the right to direct entry upon any lot for the removal of weeds, refuse piles or other unsightly objects or materials at the expense of the Owner, and any such entry shall not be deemed a trespass. In the event a public or community sewer system becomes available, POA shall have the power and authority to require connection of all residences of such system and to prohibit further use of septic tank systems.

Garage Storage

4.07 Any garage being used for storage shall be kept closed at all times except when in immediate use for ingress or egress. All garages shall have garage doors with automatic electric closers. No open carport shall have the storage doors open to street.

Unused Vehicles

4.08 No unused automobiles or vehicles of any kind, except as hereinafter provided, shall be stored or parked on any lot, except in a closed garage, or on any residential street. "Unused vehicle" shall be defined as any vehicle which has not been operated for a period of one week or longer. Streets are not to be used for private parking except by visitors.

Nuisances Including Loud Noises and Unlicenced Vehicles

4.09 No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon or any condition permitted to exist thereon which may be or become any annoyance, nuisance, or hazard to the health of the neighborhood.

No vehicle, including specifically motorcycles, motorbikes, motor-scooters, minibikes, mopeds without proper and approved mufflers and flame arresters will ever be permitted in, on or about the development. All off the road, untagged and unlicenced vehicles except motorized golf carts are expressly prohibited. Motorized golf carts must be operated by a licensed driver. Loud and offensive noises, including those made by such vehicles, are declared to be an annoyance, nuisance and hazard to the health and well being of the neighborhood and are expressly forbidden.

Driveways

4.10 All driveway locations shall be approved by the Architectural Control Committee. Lot owners shall install and provide culverts of 8" diameter in road drainage ditch where driveway access to lot is located, and shall keep said culvert open and clear of debris and dirt.

Rental or Leasing of Residences

4.11 The renting or leasing of a residence except on a long term basis of not less than six months is expressly forbidden. When such an arrangement becomes necessary, it will be with the understanding that

the homeowner will in no way abrogate his responsibility as herein defined, and that the tenant in possession will abide by these deed restrictions exactly as though he were the owner.

Billboards and Signs

4.12 No billboards, signboards, or advertising displays of any kind shall be installed, maintained or permitted to remain on any residential lot, except that one sign containing not more than five (5) square feet of surface area may be displayed in connection with the sale of an improved or unimproved lot.

Easements

4.13 Easements for the installation, operation and maintenance of fences, utilities, and drainage facilities, are reserved as shown on the recorded plat.

Sight Line Obstructions

4.14 No hedge, shrub, or tree planting which obstructs sight line and elevations between two and six feet above the roadway shall be placed or permitted to remain on any corner lot within the triangular area formed by the street property lines and the line connecting them at points twenty-five (25) feet from the intersection of the street lines or, in case of a rounded property corner, from the intersection of the street property lines extended. The same sight line limitations shall apply on any lot within ten (10) feet from the intersection of a street property line with the edge of a driveway. No trees shall be permitted to remain within such distance of such intersections unless the foliage line is maintained at a sufficient height to prevent obstruction of such sight lines.

House Trailers, Etc.

4.15 No house trailer, mobile home, camper, boat, boat trailer or similar wheeled vehicle shall be stored or parked on any street or lot for more than 7 days in any 14 day period. Boats and boat trailers are to be stored or parked in an area on lots 40 and/or 41 of El Dorado Bay Subdivision, as designated and provided by the POA.

Commercial or Transport Vehicles

4.16 No commercial-type vehicle and no trucks shall be stored or parked on any lot except in a closed garage, nor parked on any residential street except while engaged in delivery to or transport from a residence. For the purpose of this covenant, a 3/4 ton or smaller vehicle (commonly known as a pick-up truck) shall not be deemed to be a commercial vehicle or truck. No vehicle of any size which normally transports flammable or explosive cargo may be kept in the subdivision at any time.

Boat Houses

4.17 No enclosed boat houses will be allowed. No boat houses or piers or docks will be allowed that obstruct any other sublease or lessee's view of the lake. No type of bulkhead will be built unless approval is granted by Architectural Control Committee.

ARTICLE FIVE

GENERAL PROVISIONS

Architectural Control

5.01 No building, fence, wall or other structure shall be commenced, erected or maintained upon any lot, nor shall any exterior addition to or change or alteration therein be made, until the details, construction plans, front elevation, and specifications showing the nature, kind, shape, height, materials, color and location of the same shall have been submitted to, and approved in writing as to materials, harmony of external design and location in relation to surrounding structures and topography, by the Architectural Control Committee.

Architectural Control Committee

5.02 The Declarants and the POA shall appoint an Architectural Control Committee of not less than five qualified members. The Architectural Control Committee shall either approve and reject all plans and specifications submitted to the Committee with a majority of four (4) members voting in agreement, which committee shall serve at the pleasure of the Property Owners Association. THE DECISIONS OF THIS COMMITTEE SHALL BE BINDING.

Duration

5.03 The restrictions, covenants, and conditions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Owner of any land subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of fifty (50) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years unless an instrument signed by the then Owners of seventy-five percent (75%) of the lots has been recorded, agreeing to change said restrictions, covenants and conditions in whole or in part.

Final termination in any event shall be the 4th day of December, 2071.

Enforcement

5.04 Enforcement of these restrictions, covenants and conditions shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any of such restrictions, covenants or conditions, either to restrain violation or to recover damages, and against the land to enforce any lien created by these covenants, and failure or delay by the POA, or any Owner, to enforce any restrictions, covenant or condition herein contained shall in no event be deemed a waiver of the right to do so thereafter. No right of

action shall accrue, nor shall any action be brought or maintained by anyone whatsoever, against the POA for, or on account of, its failure to bring any action on account of any breach of these covenants, conditions, reservations, or restrictions, or for imposing restrictions herein which may be unenforceable by the POA.

Enforcement of these restrictions , covenants and conditions shall be governed by the Rule Enforcement committee as established in October 12, 1996 Property Owners Association meeting.

Subordination to Mortgages

5.05 Breach of any of the conditions and restrictions hereof, or any reversion by reason of such breach, shall not defeat, impair, or render invalid the lien of any mortgage, deed of trust, or other valid encumbrance made in good faith for value as to such affected property.

Covenant for Maintenance Assessments

5.06a Creation of the Lien and Personal Obligation of Assessments Each and every present Owner covenants and agrees; and each and every future Owner, by the acceptance of a lease on a lot or lots in the said development, shall be deemed to covenant and agree (whether or not it shall be so expressed in any such lease or other conveyance): to pay monthly assessments or charges for the purposes set out in Section B hereof, such assessments to be fixed, established and collected as hereinafter provided. Such monthly assessments, together with such interest thereon and costs of collection thereof as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each assessment is made. Each such assessment, together with such interest thereon and costs of collection thereof, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due.

b. Purpose of Assessments POA agrees, at its own expense, to reasonably maintain all roads in the development and to reasonably maintain that portion, totaling 4 acres, out of lots 40 and 41 of El Dorado Bay Subdivision, as and for a common area, as heretofore set out herein, for the use and benefit of all of the residents of the said development and their guests. The POA shall assume the cost of and responsibility for the reasonable maintenance of such common area.

c. Basis and Maximum of Monthly Assessments. Monthly maintenance assessments shall begin with the first day of the month following execution of the Surface Lease or Contract for Surface Lease, and the initial monthly assessment shall be $15.00 per lot.

Following the assumption by POA of the responsibility and the cost for maintaining all of the roads in the development, there may be an additional increase or decrease of the monthly assessments if approved by at least two-thirds of the votes cast at a meeting of POA called for the purpose of considering such increase or decrease.

d. Due Date of Assessments. The monthly assessments provided for herein shall become automatically due and payable on the 1st day of each month after the commencement date herein above set out. Payments are to be made and directed to the Treasurer of POA.

e. Duties of the Collector of Assessments. The Treasurer of POA shall maintain a roster of the lots and assessments applicable thereto, which shall be maintained and shall be open to inspection by any Owner. Written notice of the initial assessment and of any subsequent changes therein shall be forthwith sent to every Owner subject thereto.

The POA shall upon demand at any time to furnish to any Owner liable for said assessment a certificate in writing signed by an officer of the Association, setting forth whether said assessment has been paid. A reasonable charge may be made by the POA for the issuance of such certificate and such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

The POA shall, on or before April 15th of each year, prepare a statement of receipts and application of funds for the preceding calendar year.

f. Effect of Non-payment of Assessment; Personal Obligation of Owner; Lien Remedies of Collector. If the assessments are not paid on the date due, then such assessments shall become delinquent and shall bear interest at the highest lawful rate, together with such interest thereon and cost of collection thereof as hereinafter provided, forthwith become a continuing lien on the property which shall bind such property in the hands of the then Owner, his heirs, devisees, personal representatives and assigns. The personal obligation of the then Owner to pay such assessment, however, shall remain his personal obligation for the statutory period and shall not pass to his successors in title unless expressly assumed by them.

If the assessment is not paid within ten (10) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of ten percent (10%) per annum, and the POA may bring an action at law against the Owner personally obligated to pay the same or to foreclose the lien against the property, and there shall be added to the amount of such assessment the cost of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided, and a reasonable attorney's fee to be fixed by the Court, together with costs of the action. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-usage of the facilities or abandonment of his property.

g. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages now or hereafter placed upon the properties subject to assessments, provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such property pursuant to a decree of foreclosure. Such sale or transfer shall not relieve such property from liability for any assessments thereafter becoming due nor from the lien of any such subsequent assessment.

ARTICLE SIX

Rules of Franklin County Water District

All rules of Franklin County Water District (or its successor) shall prevail. As owners of the land and

original Lessors, their rules and regulations shall be enforced as if they were a part of these deed restrictions and each lessee or sub-lessee of individual lots in the El Dorado Complex shall make himself aware of said rules and regulations and remain current in said changes.

ARTICLE SEVEN

Severability

Invalidation of any one of these restrictions, covenants or conditions by judgment of court order or by conflict with Franklin County Water District rules and regulations shall in nowise affect any other provisions which shall remain in full force and effect. In the event any of the provisions hereunder are declared void by a court of competent jurisdiction by reason of a period of time herein stated for which the same shall be effective, then, in that event, such term shall be reduced to a period of time which shall not violate the rule against perpetuities as set forth in the laws of the State of Texas.

In the event any of the provisions hereunder are declared void by a Court of competent jurisdiction for whatever reason then, in that event, any similar provision in the Declaration of covenants, conditions, reservations and restrictions having application to El Dorado, El Dorado Bay and El Dorado Beach Subdivisions filed by John Preston Travis, III in Volume 115 at Page 337 et seq of the Deed Records of Franklin County, Texas not held void by the said court shall be construed to continue in full force and effect as a restrictive covenant running with the title to each and every lot and each and every parcel of land in the three said subdivisions, as though fully set out verbatim herein.