

PRELIMINARY DEVELOPMENT AGREEMENT BETWEEN THE NORTH TEXAS MUNICIPAL WATER DISTRICT AND BOIS D'ARC LAKE ACQUISITIONS, LLC.

This Preliminary Development Agreement (“Agreement”) is entered into this ____ day of _____, 2024 (the “Effective Date”) by and between North Texas Municipal Water District (“NTMWD”), a wholesale water and wastewater provider that owns and operates Bois d’Arc Lake (the “Lake”) in Fannin County, Texas, and Bois d’Arc Lake Acquisitions, LLC (“Developer”) seeking to develop approximately 99.629 acres for Five Points and approximately 86.534 acres for The Harbor at Five Points of property adjacent to the Lake (the “Property”) (collectively “Party” or “Parties”).

RECITALS

WHEREAS, the Parties are authorized to enter into this Agreement pursuant to Chapter 62, Acts of the 52nd Legislature, 1951 (Article 8280-141, Vernon’s Texas Civil Statutes) and other applicable laws;

WHEREAS, Developer owns the Property and plans to construct facilities and enter into agreements affecting the Property before the Property is ultimately transferred to Five Points & The Harbor at Five Points POA (the “Association”);

WHEREAS, Developer intends to develop the Property as a master-planned community for residential and recreational use (the “Development”);

WHEREAS, the Developer has obtained final plat approval for the Development from Fannin County and has sold lots to third parties;

WHEREAS, prior to the sale of lots within the Development, the Developer predetermined areas adjacent to certain lots where future owners may request a Lease and Use Agreement from NTMWD;

WHEREAS, the Developer disclosed those predetermined areas to lot owners at the time of sale and lot owners may not request a Lease and Use Agreement from NTMWD outside of those predetermined areas without prior approval from the Developer or Association.

WHEREAS, Developer plans to transfer the common areas of the Development identified in **Exhibit A** to the Association after the Developer has completed the construction of the improvements and facilities on the Property;

WHEREAS, the Association’s covenants, conditions, and restrictions for the Development are attached hereto as **Exhibit A** (“CC&Rs”);

WHEREAS, control of the Association will transfer to individual lot owners after the Control Transfer Date as stated in the CC&Rs; and all construction of the improvements and the Project (defined below) has been completed;

WHEREAS, the Development is adjacent to the Lake that is owned and operated by NTMWD;

WHEREAS, NTMWD owns the property below the 541 feet mean sea level (“MSL”) of the Lake and owns a Permanent Flowage and Flood Easement (the “Easement”) located between the 541 MSL and 545 MSL elevations across the Property (the “Shoreline”);

WHEREAS, as part of the Development, Developer seeks to make certain improvements to the Shoreline such as community docks and pathways as described in **Exhibit A** (the “Project”);

WHEREAS, before the Project proceeds, Developer must obtain authorization for the Project from NTMWD, as the owner and the Easement holder of the Shoreline; and

WHEREAS, the Parties seek to enter into an agreement to authorize the Project and effect the transfer of the Project to the Association.

THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, including the agreements set forth below, the Parties agree as follows:

AGREEMENT

1. **PURPOSE.** The purpose of the Agreement is to establish a preliminary development agreement for Developer to begin construction of the Project contingent upon the Association and Developer subsequently entering into a Shoreline Lease and Use Agreement with NTMWD, as further provided herein, and enforcing the CC&Rs.
2. **EFFECTIVE DATE.** This Agreement is effective as of the date first written above.
3. **PROJECT ACTIVITIES.** All Project activities identified in **Exhibit A** may not begin until the following conditions occur: (1) the Developer and its contractors meet with NTMWD to obtain approval to commence work on the Project activities in **Exhibit A**; and (2) NTMWD approves of the Project activities and issues Developer written authorization to work on the Project activities. Any deviations from the Project activities identified in **Exhibit A** require prior written approval by NTMWD after Developer submits a request to NTMWD for a deviation in writing. NTMWD has forty-five (45) days to review any deviation request and respond to the request from Developer. Anything not expressly authorized in writing by NTMWD as a Project activity or an approved deviation from a Project activity is expressly prohibited.
4. **PROJECT ABANDONMENT.** Abandonment of the Project occurs in either of the following situations: (1) failure to maintain the Project within the terms of the Agreement; or (2) failure to comply with Sections 6 and 7 of the Agreement (“Abandonment”). In the event of Abandonment of the Project, Developer shall be required to remove any improvements associated with the Project and restore the Shoreline to the satisfaction of NTMWD within thirty (30) days of receiving written notice from NTMWD requiring removal and restoration. In the event Developer shall fail to remove said improvements

associated with the Project and restore the Shoreline, NTMWD shall have the option to take over the improvements without compensation to Developer, or to remove the improvements and perform the restoration at the expense of Developer, and Developer shall have no claim against NTMWD or its officers or agents for such action and no refund by NTMWD of any fee theretofore paid shall be made. Developer shall reimburse NTMWD for any and all costs associated with NTMWD's removal of improvements and restoration within thirty (30) days of NTMWD's request for reimbursement.

5. **DEADLINE FOR COMPLETION.** The deadline for completion of the Project is one year from the latest date of NTMWD's notices to proceed to Developer as provided in Sections 3 and 4. If the Project is not complete by the one-year deadline, NTMWD has the authority to remove any improvements from the Property and terminate this Agreement effective immediately.
6. **EXTENSION OF DEADLINE FOR COMPLETION.** At NTMWD's sole discretion, the deadline for completion may be extended. For such an extension to be considered, Developer must submit a written extension request to NTMWD at least thirty (30) days before the expiration of the deadline for completion. NTMWD has thirty (30) days to grant or deny Developer's extension request.
7. **DREDGING, EXCAVATION, AND REGRADING ACTIVITIES.** Developer is responsible for notifying NTMWD and obtaining written authorization from NTMWD before every individual dredging, excavation, or regrading project commences on the Shoreline. Any activities are limited to those approved activities included in **Exhibit A**. Notification includes as follows: (1) written acknowledgement that Developer has complied with all applicable local, state, and federal laws and regulations; (2) the estimated start date and end date for the dredging, excavation, or regrading activity; (3) a point of contact and contact information for every dredging, excavation, or regrading activity; and (4) a description of the specifications and construction methods to be employed during the dredging, excavation, or regrading activity. NTMWD has the authority to reject any proposed construction methods proposed by Developer for the Project.
8. **ASSOCIATION TO SIGN SHORELINE LEASE AND USE AGREEMENT.** Developer agrees to include the Shoreline Lease and Use Agreement for the Association's signature during the transfer of assets, including but not limited to the transfer of all real property, personal property, fixtures and any other improvements on the Shoreline, from Developer to the Association (the "Transfer"). The Shoreline Lease and Use Agreement is attached as **Exhibit B**, which may be revised by NTMWD in its sole discretion. Any revised version of the Shoreline Lease and Use Agreement included in **Exhibit B** shall be substantially similar to the version included in **Exhibit B**. Developer agrees to include a provision in the agreement(s) regarding the Transfer from Developer to the Association that requires the Association and the Developer to execute the Shoreline Lease and Use Agreement simultaneously at the time of execution of the agreement(s) regarding the Transfer. Developer is solely responsible for paying any fees required under the Bois d'Arc Lake Shoreline Management Plan ("SMP"), including but not limited to application fees for the Shoreline Lease and Use Agreement.

9. **FINANCIAL ASSURANCES.** Developer, at its own expense, shall procure and maintain for the duration of the design and construction phase of the Project, a performance bond in an amount of not less than \$1,899,500 for construction of the Project (the "Performance Bond"). The amount covered must be sufficient to cover the entire cost of the Project, and cover the cost needed to remove any Project activities on the Shoreline and restore the Shoreline to its original condition in the event of Abandonment of the Project. Developer must maintain the Performance Bond until all construction of the improvements and the Project has been completed. The Performance Bond shall be on forms reasonably acceptable to NTMWD. The Performance Bond shall be executed by a surety company authorized to do business in the State of Texas and listed in the current Federal Department of Treasury Circular 570. Developer shall provide evidence of the Performance Bond within ten (10) days following the Effective Date.
10. **OPERATION, MAINTENANCE, REPAIR, & REPLACEMENT.** The operation, maintenance, repair, or replacement of the Project authorized by this Agreement shall be performed at no cost or expense to NTMWD and subject to the express written approval of NTMWD. Anything not expressly authorized in writing by NTMWD as a Project activity or an approved deviation from a Project activity is expressly prohibited. Upon the completion of any of such operation, maintenance, repair, or replacement, Developer shall immediately restore the Shoreline to the satisfaction of NTMWD. The use and occupation of the Shoreline for the purposes herein granted shall be subject to NTMWD's property ownership rights, the policies as set forth in the SMP, and to all applicable federal, state, and local laws and regulations. If the Project is removed for storage or extensive maintenance, NTMWD may require portions of the Project be removed from the Shoreline. Further, Developer agrees to operate and maintain the Project and/or use in a manner so as to provide safety, minimize any adverse impact on fish and wildlife habitat, and natural, environmental, or cultural resource values, and in a manner so as to minimize the degradation of water quality.
11. **IMPROVEMENT STANDARDS.** Unless otherwise authorized in Sections 3 and 4 of this Agreement, docks and other permitted improvements must conform to the standards found in the SMP and **Exhibit A**. These standards address electrical service and lighting, signage, improvement size and length, improvement location and spacing, orientation of the improvement to the Shoreline, improvement maintenance, and other features and amenities as described in the SMP. Any deviation from the SMP requirements will be considered a breach of this Agreement.
12. **FLOATS AND FLOTATION MATERIALS.** Floats and the flotation material for all docks shall be fabricated of materials manufactured for marine use and in accordance with the approved plans in **Exhibit A**. The float and its flotation material shall be one hundred (100) percent warranted for a minimum of eight (8) years against sinking, becoming waterlogged, cracking, peeling, fragmenting, or losing beads. All floats shall resist puncture and penetration and shall not be subject to damage by animals under normal conditions for the area. All floats and the flotation material used in them shall be fire

resistant. The use of new or recycled plastic or metal drums or non-compartmentalized air containers for encasement or floats is prohibited.

13. **ANCHORING.** The gangways to boat docks, fishing piers, or any other overwater structure shall be securely attached to the shore in accordance with the approved plans by means of moorings that do not create tripping hazards along the shoreline or adversely affect the natural terrain or vegetation. Anchoring to vegetation is prohibited.
14. **AGREEMENT DISPLAY TAG.** The Agreement Display Tag shall be posted at the Project and/or on the land areas covered by the Agreement so that it can be visually checked with ease in accordance with instructions provided by NTMWD.
15. **CONSTRUCTION DISPLAY SIGN.** During the period in which Developer is building roads, docks, and amenities, including site preparation, Developer is required to post a construction display sign from NTMWD. This is required in addition to the required construction notification, and other notifications, permits, and authorizations required by local, state, and federal laws, including but not limited to, obtaining and posting notice of any required construction stormwater general permit.
16. **PROHIBITED ITEMS.** Treated landscape timbers or the storage, transfer, or use of hydrocarbons or other petrochemical products, paint, pesticides, herbicides, or any other toxic or hazardous materials are not allowed on the Shoreline or the Lake.
17. **ELECTRICAL SAFETY AND COMPLIANCE.** Developer shall comply with all applicable federal, state, county, municipal laws, ordinances, and regulations wherein the permitted facilities/activities are located, including, but not limited to, the provisions of the latest edition of the National Electrical Code (NEC). Failure to abide by these applicable laws and regulations may be cause for revocation of this Agreement.
18. **POLLUTION PREVENTION.** Within the limits of their respective legal powers, the Parties hereto shall protect the Shoreline against pollution of its air, ground, and water. Developer shall promptly comply with any laws, regulations, conditions, or instructions affecting the activity hereby authorized if and when issued by the Environmental Protection Agency ("EPA"), the United States Army Corps of Engineers ("USACE"), the Texas Commission on Environmental Quality ("TCEQ"), or any federal, state, or local governmental agency having jurisdiction to abate or prevent pollution. The disposal of any toxic or hazardous materials within the Shoreline is strictly prohibited. Such regulations, conditions, or instructions in effect or prescribed by the said EPA, USACE, TCEQ, or any federal, state, or local governmental agency are hereby made a condition of this Agreement. Developer shall not discharge waste or effluent from the Shoreline in such a manner that the discharge will contaminate streams or other bodies of water or otherwise become a public nuisance.
19. **PESTICIDES AND HERBICIDES.** The use of any pesticides or herbicides within the Shoreline and the Lake shall be in conformance with all applicable federal, state, and local

laws and regulations. Developer must obtain approval in writing from NTMWD before any pesticides or herbicides are applied to the Shoreline and the Lake.

20. **ENVIRONMENTAL IMPACT.** Developer will use all reasonable means available to protect the environment and natural resources, and where damage nonetheless occurs arising from Developer's activities, Developer shall be required to restore the damaged resources.
21. **TIMBER CLEARING.** Unless expressly authorized under Sections 3 and 4 of this Agreement, no timber above the 534 MSL contour shall be cleared. Standing timber below the 534 MSL contour may be cleared only if approved through this Agreement after Developer submits a timber clearing proposal to NTMWD. Developer shall provide documentation of coordination with the USACE in accordance with the procedures described in the SMP. Such USACE coordination shall only occur after NTMWD has reviewed the timber clearing proposal and provided direction to engage in such coordination. Any timber clearing authorized under this Agreement must be in compliance with any required USACE approvals, authorizations, or permits. Timber clearing shall be approved by NTMWD in writing and shall be in accordance with the Clean Water Act Section 404 Permit for Bois d'Arc Lake as provided in the SMP. Timber clearing not approved by NTMWD in writing is prohibited and any prohibited timber clearing shall be considered a breach of this Agreement.
22. **AGREEMENT FEES.** Developer shall pay, in advance, to NTMWD, compensation in accordance with **Exhibit C**. Fees are subject to change upon renewal of the Agreement.
23. **DEVELOPER COMPLIANCE WITH LOCAL, STATE, AND FEDERAL LAWS AND REGULATIONS.** It is Developer's sole responsibility for ensuring its performance of this Agreement complies with all local, state, and federal regulations. NTMWD shall not be responsible for ensuring Developer's compliance with these laws and regulations.
24. **WAIVER OF ANY TAKINGS CLAIM.** Developer **WAIVES ANY CLAIM IT MAY NOW OR IN THE FUTURE HAVE AGAINST NTMWD FOR A STATE OR FEDERAL "TAKINGS" or "INVERSE CONDEMNATION"** of either the Project or the portion of the Shoreline on which the Project is located resulting from Lake levels being inconstant or from flooding, high water, drought, or similar occurrence, even if any of these occurrences is caused or alleged to be caused, in whole or in part, by NTMWD, whether through NTMWD's negligence or otherwise.
25. **INDEMNIFICATION.** NTMWD shall have no liability whatsoever, either to Developer, Developer's successors, assigns, guest invitees or any other third party, for property damage to Developer's Project or the contents thereof, caused by inundation or flooding of the property or the effects of drought, **EVEN IF CAUSED BY NTMWD'S NEGLIGENCE.** NTMWD shall not be liable to Developer or Developer's contractors, subcontractors, guests, visitors, invitees or to any other person whomsoever, for any injury to person or damage to property on or about the Property due to **ANY CAUSE WHATSOEVER, INCLUDING WITHOUT LIMITATION, INUNDATION OR**

FLOODING OF THE PROPERTY OR THE EFFECTS OF DROUGHT, and Developer agrees to indemnify NTMWD and hold it harmless from any loss, expenses, or claims including attorney's fees, arising out of any such damage or injury, **INCLUDING INJURY TO PERSON OR DAMAGE TO PROPERTY THE SOLE OR CONTRIBUTING CAUSE OF WHICH IS THE NEGLIGENCE OF NTMWD**. If any action or proceeding is brought against NTMWD by reason of any such claim, Developer, upon notice from NTMWD, will defend such action or proceeding with counsel acceptable to NTMWD.

26. **RELEASE & ASSUMPTION OF RISK**. Developer acknowledges that Bois d'Arc Lake is not a "constant level" or "controlled level" lake and is **SUBJECT TO DROUGHT OR FLOODING WITHOUT WARNING**. Developer acknowledges and agrees that the Property is being improved upon "**AS-IS, WHERE-IS**," with all defects, whether known or unknown. Developer recognizes the risk inherent in constructing improvements in close proximity to, and over, the Lake because of the risks associated with flooding, high water, and drought conditions. These risks include, but are not limited to, lake level fluctuations resulting in improvements, such as docks, being completely unusable during flood or drought conditions, which can extend over months or years, as it relates to multi-year drought conditions. As a condition of, and in consideration for, NTMWD's entering into this Agreement, as between NTMWD and Developer, Developer **AGREES TO ASSUME ALL RISK** of destruction of or damage to any improvements and the property of Developer or third parties located on the Property and to assume all risk of bodily injury or death to any person on the Property associated with the Project resulting from any cause. As part of the assumption of risk, Developer, for itself and its heirs and assigns, **EXPRESSLY RELEASES NTMWD FROM ALL LOSS, COSTS, AND LIABILITY FOR (1) DAMAGE OR DESTRUCTION TO ANY OF ITS PROPERTY LOCATED ON OR AT THE PROPERTY RESULTING FROM ANY CAUSE AND (2) BODILY INJURY OR DEATH TO DEVELOPER OR ANY CONTRACTOR OR SUBCONTRACTOR OR OTHER PERSON AT THE PROPERTY**.
27. **NO GOODS OR SERVICES PROVIDED TO NTMWD**. The Parties agree that pursuant to this Agreement Developer is not providing any "good or services" to NTMWD and this Agreement is not a contract subject to Chapter 271, Subchapter I of the Texas Local Government Code because no "goods or services," as such terms have been interpreted by courts in the State of Texas, are provided by Developer to NTMWD pursuant to this Agreement.
28. **DAMAGE TO SHORELINE**. Developer shall be liable for any and all damage that may be caused to the Shoreline by the activities of Developer, or individual property owners of the Development, under this Agreement and shall exercise due diligence in the protection of all property located on the Property against fire or damage from any and all other causes. Any property of NTMWD damaged or destroyed by Developer, or individual property owners of the Development, incident to the exercise of the privileges herein granted shall be promptly repaired or replaced by Developer or the individual property owner of the Development to a condition satisfactory to NTMWD, or at the election of

NTMWD, reimbursement made therefore by Developer in an amount necessary to restore or replace the property to a condition satisfactory to NTMWD.

29. **NTMWD's ACCESS TO SHORELINE.** The right is reserved to NTMWD, its officers, agents, and employees to enter upon the Shoreline at any time and for any purpose necessary or convenient in connection with NTMWD work, to make inspections, to remove any material, except property of Developer approved for use on the Shoreline, and/or to make any other use of the lands as may be necessary in connection with NTMWD purposes, and Developer shall have no claim for damages on account thereof against NTMWD or any officer, agent, or employee thereof. NTMWD's authorized representative shall be allowed to cross the Property, as necessary, to inspect the Project. NTMWD will notify Developer of any deficiencies noted and will establish a schedule for their correction. No deviation or changes from approved plans for the Project will be allowed without prior written approval of NTMWD. Any deviations from the Project must be approved in writing by NTMWD after Developer submits a request to NTMWD for a deviation in writing. NTMWD has forty-five (45) days to review and respond to the request from Developer. Notwithstanding the foregoing, if NTMWD determines during an inspection that a noncompliance issue concerns a significant imminent threat to the environment or public health, safety, and general welfare, NTMWD may take whatever action necessary within the authority of NTMWD to eliminate such threat, including but not limited to, requiring Developer to immediately address the noncompliance issue.
30. **LAKE AND SHORELINE ACCESS.** All watercraft must be launched from a NTMWD-approved ramp or a dock. This excludes non-motorized watercraft such as kayaks, canoes, and stand up paddle boards. Unless otherwise approved, neither Developer nor individual lot owner may build a boat ramp or use any of their property to launch a watercraft except as set forth herein.
31. **PROPERTY LINE AND SIDE YARD DELINEATION.** For this Agreement, Developer will delineate the boundary line between NTMWD-owned property and Developer's property in a visibly clear, but unobtrusive manner approved by NTMWD and in accordance with the SMP. Developer will also identify the intersection of the projected side yard line and the 534 MSL as depicted in the exhibit to this Agreement.
32. **SHORELINE MAINTENANCE.** NTMWD is under no obligation to Developer to maintain the Shoreline. Developer is responsible for maintaining the Shoreline in a clean and sanitary manner, including removing trash and other natural debris. Unless expressly authorized by this Agreement, Developer is responsible for acting in accordance with the SMP. Any materials and refuse from maintenance and repair activities are to be removed from the Shoreline and the Lake immediately upon completion of such activities.
33. **CULTURAL RESOURCES.** Developer shall not remove or disturb, or cause or permit to be removed or disturbed, any historical, archaeological, architectural, or other cultural artifacts, relics, remains, or objects of antiquity on NTMWD-owned property. In the event such items are discovered on NTMWD-owned property, Developer shall immediately

notify NTMWD and protect the site and material from further disturbance until NTMWD authorizes any further activity.

34. **COMMERCIAL ACTIVITIES PROHIBITED.** No attempt shall be made by Developer to forbid the full and free use by the public of all waters adjacent to the Shoreline. No charge may be made for use by others of the Shoreline or the Lake nor shall commercial activities, including any form of advertising, be conducted thereon.
35. **COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS.** This Agreement is subject to all applicable federal and state laws and any applicable permits, ordinances, rules, orders, and regulations of any local, state or federal governmental authority having or asserting jurisdiction, including, but not limited to, the provisions of the latest edition of the National Electrical Code (NEC). Nothing contained herein shall be construed as a waiver of any right to question or contest any such law, ordinance, order, rule, or regulation in any forum, having jurisdiction. This Agreement does not authorize any injury to private property or invasion of private rights or any infringement of local, state or federal laws or regulations, nor does it obviate the necessity of obtaining local, state, or federal assent required by law for the operation, use, maintenance, or repair of the Improvement and/or use.
36. **RULES AND REGULATIONS.** The Property shall be expressly subject to all rules and regulations promulgated by NTMWD for the construction, use, maintenance, and enjoyment of the Property, including without limitation, all regulations and requirements of NTMWD, now or hereafter enacted. By signing this Agreement, Developer specifically acknowledges that it has read the applicable requirements of the Bois d'Arc Lake Rules and Regulations, the SMP, and the Fannin County Zoning Regulations and agrees that Developer's use of the Property shall at all times be in compliance with such plans and regulations.
37. **TERMINATION OF AGREEMENT.** Before NTMWD may terminate the Agreement, NTMWD must send a notification to Developer informing Developer of NTMWD's grounds for termination of the Agreement and giving Developer sixty (60) days to address and cure such grounds for termination. If the time period to cure has passed without Developer taking the required curative action, NTMWD may mail a notice to terminate to Developer by certified letter. The termination of the Agreement is effective as of the date of the termination letter. Unless terminated earlier, this Agreement shall terminate upon the Association's execution of the Shoreline Lease and Use Agreement.
38. **REMEDIES.** It is not intended hereby to specify (and this Agreement shall not be considered as specifying) an exclusive remedy for any default, but all such other remedies, including termination as provided in Section 39, existing at law or in equity may be availed of by any Party hereto and shall be cumulative.
39. **NOTICE.** Unless otherwise provided herein, any notice, communication, request, reply or advice (herein severally and collectively, for convenience, called "Notice") herein provided or permitted to be given, made or accepted by any Party to any other Party must be in writing and

may be given or be served by depositing the same in the United States mail postpaid and registered or certified and addressed to the Party to be notified, with return receipt requested, or by delivering the same to an officer of such Party, or by electronic mail, addressed to the Party to be notified at the email address provided below. Notice deposited in the mail in the manner described above shall be conclusively deemed to be effective, unless otherwise stated herein, from and after the expiration of three (3) days after it is so deposited. Notice given in any other manner shall be effective only if and when received by the Party to be notified. For the purposes of notice, the contact information of the Parties shall, until changed as hereinafter provided, be as follows:

If to Developer, to: Bois d'Arc Lake Acquisitions, LLC.
9827 Cogdill Rd. Suite # 1
Knoxville, TX 37932
912-223-4390
logue@llcinvest.com

If to NTMWD, to: Jennafer P. Covington
Executive Director/General Manager
North Texas Municipal Water District
P.O. Box 2408
Wylie, Texas 75098
972-442-5405
jcovington@ntmwd.com

The Parties hereto shall have the right from time to time and at any time to change their respective contact information and each shall have the right to specify as its contact information any other contact information by at least fifteen (15) days' written notice to the other Party hereto.

40. **SEVERABILITY.** In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof and this Agreement shall be considered as if such invalid, illegal, or unenforceable provision had never been contained in this Agreement.
41. **NO JOINT VENTURE.** It is acknowledged and agreed by the Parties that the terms hereof are not intended to and shall not be deemed to create any partnership or joint venture among the Parties. NTMWD, its past, present, and future officers, elected officials, employees and agents of NTMWD, do not assume any responsibilities or liabilities to any third party in connection with the development of the Project or the design, construction or operation of any portion of the Project.
42. **REPRESENTATIONS AND WARRANTIES.** Each Party represents and warrants to the other Party that (i) the Party has full requisite power and authority to perform its obligations under this Agreement; (ii) the execution, delivery, and performance of this Agreement has

been duly authorized by all necessary action of the board of directors or other applicable governing body of the Party; (iii) this Agreement is a valid and binding obligation of the Party enforceable against the Party in accordance with its terms, except as the enforceability may be limited by applicable bankruptcy, insolvency or other law affecting creditors' rights generally, and by general equitable principles; and (iv) the execution, delivery, and performance of this Agreement by the Party does not, and will not: (A) violate the statute, charter, or other instrument pursuant to which the Party was created; (B) violate the Constitution of the State of Texas, or any other law, rule or regulation by which the Party is bound; (C) violate any judgment, writ, order, injunction, award, or decree of any court, arbitrator, administrative agency or other governmental authority which is binding upon the Party; or (D) result in a material breach, violation, or default under any indenture, mortgage, ordinance, bond resolution, contract, deed of trust, debenture, agreement, or other instrument to which the Party is a party.

43. **ENTIRE AGREEMENT – NO ORAL MODIFICATIONS.** This Agreement embodies the entire Agreement of the Parties, superseding all oral or written previous and contemporary agreements between the Parties relating to matters set forth in this Agreement. Except as otherwise provided elsewhere in this Agreement, this Agreement cannot be modified without a written supplemental agreement executed by both Parties.
44. **ASSIGNMENT.** Developer shall not assign this Agreement or any of its rights hereunder without first obtaining the express prior written agreement of NTMWD.
45. **NO THIRD-PARTY BENEFICIARIES.** Developer and NTMWD enter into this Agreement solely for the benefit of themselves and agree that nothing in this Agreement shall be construed to confer any right, privilege or benefit on any person or entity other than Developer and NTMWD.
46. **VENUE.** It is specifically agreed among the Parties to this Agreement that Fannin County, Texas, is the place of performance of this Agreement; and, in the event that any legal proceeding is brought to enforce this Agreement or any provision hereof, the same shall be brought in Fannin County, Texas.
47. **ADOPTION OF PREAMBLE AND EXHIBITS.** All of the statements in the preamble and all of the exhibits of this Agreement are true and correct and are hereby incorporated into the body of this Agreement as though fully set forth in their entirety herein.
48. **VIOLATIONS AND PENALTIES.** Developer will be held accountable to the conditions outlined herein. If a violation is identified, NTMWD will follow the steps outlined below:

First Notice: NTMWD will generally issue a written warning notifying Developer of the violation, outlining actions to correct the violation, and providing a resolution timeframe. Depending on the noncompliance issue (e.g. is the issue an imminent health or safety concern), the time provided for resolution and the degree to which NTMWD may step in and proactively correct an issue may vary. Some violations may immediately generate a fine. NTMWD may, at its discretion, waive fines to be imposed at the first notice. NTMWD

will follow up within the specified timeframe to document resolution of the issue. Increased frequency of monitoring and inspection may be warranted for a period of time following resolution.

Second Notice: A second notice may involve the same activity or conditions as the first notice, or it may be a new issue. Second notices for the same situation that triggered the first notice will also be linked to increased fines and shorter resolution timeframes. Developer will be required to reimburse NTMWD for costs associated with monitoring, inspection, and follow-up for second notice actions.

Third Notice: Three notices for the same or different instances of noncompliance with this Agreement within one year will trigger a notice to revoke or terminate this Agreement. Developer will have 30 days to remove improvements at its expense and restore the Shoreline to its condition prior to the construction of the improvements (if applicable). Developer may appeal a notice of termination to NTMWD within 15 days of receiving the notice. NTMWD will respond to Developer within 30 days.

Resolution timeframes and fines are dependent on the harm that may occur to people, property, and resources if the violation were to continue. Violations that are hazardous, or potentially hazardous, generally have shorter resolution timeframes and higher penalties than administrative violations. **Exhibit C** outlines resolution timeframes, remedies, and penalties for various violations.

49. **EFFECTIVE DATE AND TERM.** This Agreement becomes effective as of the Effective Date, set forth above, and unless terminated early as provided herein, will be valid for five (5) years following the Effective Date or until NTMWD enters into a Shoreline Lease and Use with the Association and Developer as provided in Section 9 of this Agreement.

IN WITNESS WHEREOF, the Parties hereto acting under authority of their respective governing bodies have caused this Agreement to be duly executed in several counterparts, each of which shall constitute an original.

[The remainder of this page is intentionally left blank. Signatures are on the following pages.]

NORTH TEXAS MUNICIPAL WATER DISTRICT

By: _____
Jennafer P. Covington, Executive Director/General Manager Date _____

STATE OF TEXAS §
 §
COUNTY OF COLLIN §

This instrument was acknowledged before me on this _____ day of _____, 2024, by Jennafer P. Covington, Executive Director/General Manager of North Texas Municipal Water District, a conservation and reclamation district and political subdivision of the State of Texas, on behalf of said conservation and reclamation district.

Notary Public, State of Texas
Printed Name of Notary:

My Commission Expires: _____

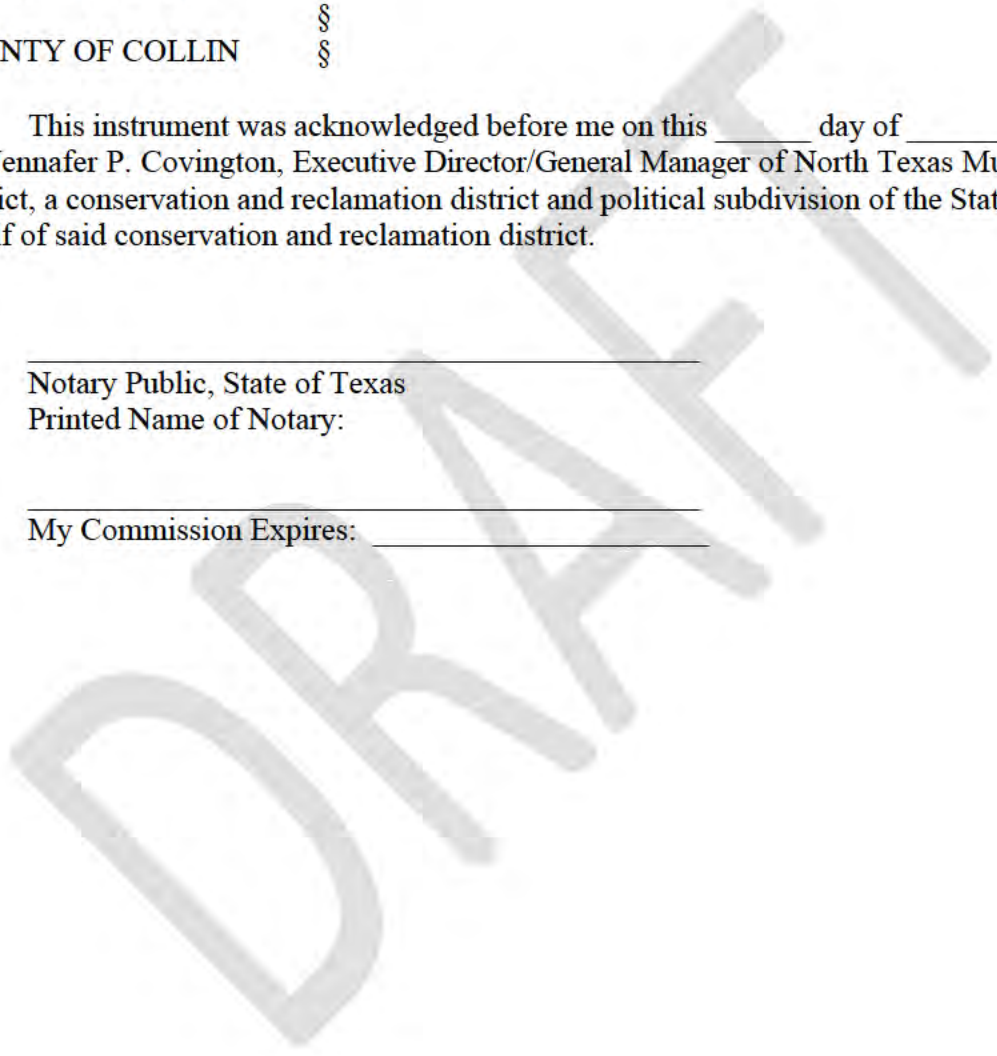


EXHIBIT A

Developer Documents

DRAFT

SHORELINE LEASE AND USE AGREEMENT APPLICATION
Bois d'Arc Lake, North Texas Municipal Water District (NTMWD)
To be submitted through MGO Connect

APPLICANT INFORMATION

Date of Application: 8/22/24 E-mail Address: logue@llcinvest.com
Name of Applicant: Bois Darc Lake Acq, LLC Address: 9827 Cogdill Rd Ste 1
Telephone: (912) 223-4390 City, State, Zip Code: Knoxville, TN
37932

CONTRACTOR INFORMATION

Name of Contractor: JLC Excavation Address: PO Box 1228
Telephone: (903) 840-9080 City, State, Zip Code: Canton, TX 75169
E-mail Address: john.canada@jlcexcavation.com

AGREEMENT TYPE (check one)

- New
 Change in Ownership (Reissue Agreement); please provide agreement number:
 Agreement Renewal; please provide agreement number:

TYPE OF FACILITY (check one or more as appropriate)

Water-Based:

- Single-Owner Boat Dock
 Community Boat Dock
 Other/Exception (describe):

Land-Based:

- Vegetation Modification (including clearing standing timber)
 Land-based Recreational Facilities
 Access Path
 Other/Exception (describe):

PROJECT DESCRIPTION

Brief description of facility location (include adjacent parcel numbers) and the proposed activity on NTMWD land or easement: Location Property ID 141644 -

Common Area Lot / Clubhouse - Five Points Subdivision
20 Slip Covered Dock w/ sidewalk from Clubhouse to Dock

CONSISTENCY WITH STANDARDS, POLICIES, AND PLANS

Please explain how the proposed project is consistent with NTMWD standards and policies and with the Bois d'Arc Lake Shoreline Management Plan (SMP).

This property directly adjoins NTMWD-owned property, there is 100'+ spacing, concrete walkway, 20 slips for the subdivision - Concrete walkway from Lot 52 to boat slips

PROJECT EXCEPTIONS (if applicable)

Please explain and justify any deviations in the proposed project from NTMWD standards and policies and the Bois d'Arc Lake SMP.

N/A

Length of time to complete construction (if applying for a new agreement) (maximum of one year allowed): 6 months - including production time

Date of pre-application site inspection (for new dock construction): 6/10/24

ALTERNATE POINT OF CONTACT

The following alternative party will be available on short-notice call and responsible for providing any access to and surveillance of the structure as needed.

Name of Alternate Contact: Matt Logue Address: 9827 Cogd. Rd. Knoxville, TN
Telephone: (912) 223-4390 Email Address: logue@11invest.com

APPLICATION FEE

See Fee Table. Application fee submitted to \$10,560⁰⁰

Please note that annual fees may also apply to your Agreement.

ATTACHMENTS to be included with Agreement Application (see Appendix F for submittal requirements)

- For all new Agreements:
 - Provide proof of land ownership (e.g. warranty deed, tax assessor notice) that is immediately adjacent to and shares a common boundary with District land. Submit site map, aerial photos, survey plats, or other documents depicting location of private property.

- A copy of the boundary line survey including the seal and signature of a licensed Professional Land Surveyor. The survey should include the boundary line between NTMWD property and the adjacent landowner/applicant along the entire length requested for use plus an additional 100 feet to either side of the requested use footprint or to the property boundary (whichever is shorter).
- A site plan showing the location of the proposed improvements/activities on NTMWD-owned property. The site plan should show the surveyed boundary line and the relative locations of any proposed improvements/activities on NTMWD land as well as any useful landmarks such as an adjacent residence.
- Access paths: include a plan view showing path route and dimensions and materials to be used. Plan should show topography and appropriate erosion control measures proposed.
- Vegetation modification: include a plan view showing the area to be included in the agreement. Describe the existing vegetation including species and type (e.g. trees, shrubs, grasses) to be removed or modified. If planting is proposed, please refer to the native plant list when making selections.
- For applications for new docks, please also attach:
 - One electronic set of structural plans, electrical plans, and specifications for dock facility that have been approved by a structural engineer. Please include all amenities proposed (e.g. storage box, solar battery storage, boat or PWC lift etc.) and provide construction materials and dimensions of facility. Reference to an approved dock plan on file with NTMWD is also acceptable. Please identify any additions or alterations to an approved plan. Structural alterations proposed are required to be stamped by a structural engineer and/or electrician as appropriate.
 - If the adjoining private land is jointly-owned (e.g. Trust, LLC, Non-Profit, etc.), dock applicants must provide documentation indicating their interest in the jointly-owned property.
 - If replacing an existing dock, submit a letter stating the old dock will be dismantled and removed within 30 days of the installation of the new dock.
 - For Community Docks, provide authorized contact and alternates including name, address, and phone numbers.
- For reissuance or renewal of dock agreements only:
 - Electrical Certification (if applicable);
 - Certificate of Compliance or signed statement that all noted deficiencies have been corrected. This signifies the dock meets current inspection criteria.
 - For Community Docks, provide authorized contact and alternates including name, address, and phone numbers.

Please review the conditions that are required of all Shoreline Lease and Use Agreements as found in the SMP. General conditions for Shoreline Lease and Use Agreements are found in Appendix C of the SMP. The general conditions will be applied to all Shoreline Lease and Use Agreements. Additional site-specific conditions may be developed following review of your application.

Note: NTMWD reserves the right to alter this form or to request additional information not specified in this form.

SIGNATURE

I hereby designate and authorize the agent/consultant identified above to act on my behalf in processing of this agreement application, and to furnish, upon request, supplemental information in support of this application for shoreline use.



(Signature of Applicant/Adjacent Landowner)

8/22/24
(Date)

Brian M Logue
(Printed Name of Applicant/Adjacent Landowner)

8/22/24
(Date)

(Signature of Applicant/Adjacent Landowner)

(Date)

(Printed Name of Applicant/Adjacent Landowner)

(Date)

I certify that the information provided on this form and all attachments related to this project are true and accurate to the best of my knowledge. I understand that failure to provide true and accurate information may result in the Application being denied or a previously approved Agreement being terminated.



(Signature of Applicant)

8/22/24
(Date)

Brian M Logue
(Printed Name of Applicant)

8/22/24
(Date)

(Signature of Applicant)

(Date)

(Printed Name of Applicant)

(Date)

(Signature of Contractor)

(Date)

(Printed Name of Contractor)

(Date)

SHORELINE LEASE AND USE AGREEMENT APPLICATION
Bois d'Arc Lake, North Texas Municipal Water District (NTMWD)
To be submitted through MGO Connect

APPLICANT INFORMATION

Date of Application: 8/22/24
E-mail Address: logne@llcinvest.com
Name of Applicant: Bois Darc Lake Acq. LLC
Address: 9827 Cogdill Rd. Ste 1
Telephone: (912) 223-4390
City, State, Zip Code: Knoxville, TN 37932

CONTRACTOR INFORMATION

Name of Contractor: JLC Excavation
Address: P.O. Box 1228
Telephone: (903) 840-9080
City, State, Zip Code: Canton TX 75169
E-mail Address: johncanada@jlcexcavation.com

AGREEMENT TYPE (check one)

- [x] New
[] Change in Ownership (Reissue Agreement); please provide agreement number:
[] Agreement Renewal; please provide agreement number:

TYPE OF FACILITY (check one or more as appropriate)

Water-Based:

- [] Single-Owner Boat Dock
[x] Community Boat Dock
[] Other/Exception (describe):

Land-Based:

- [] Vegetation Modification (including clearing standing timber)
[] Land-based Recreational Facilities
[x] Access Path
[] Other/Exception (describe):

PROJECT DESCRIPTION

Brief description of facility location (include adjacent parcel numbers) and the proposed activity on NTMWD land or easement: Location of the facility is on Parcel ID 116466 (NTMWD) - Our adjacent property ID#s are 141672 & 141673 - 20 slip dock (community) golf cart path to access the docks.

CONSISTENCY WITH STANDARDS, POLICIES, AND PLANS

Please explain how the proposed project is consistent with NTMWD standards and policies and with the Bois d'Arc Lake Shoreline Management Plan (SMP).

Our property adjoins NTMWD-owned property - there is 100'+ dock spacing, dock capable shoreline, concrete 10' wide golf cart path, 20 slip community dock

PROJECT EXCEPTIONS (if applicable)

Please explain and justify any deviations in the proposed project from NTMWD standards and policies and the Bois d'Arc Lake SMP.

A 10' wide golf cart path is requested to access the 20 slip community dock in case of fire or emergency. Fire and EMS vehicles will have access

Length of time to complete construction (if applying for a new agreement) (maximum of one year allowed): 6 months - including production time of docks

Date of pre-application site inspection (for new dock construction): 6/10/24

ALTERNATE POINT OF CONTACT

The following alternative party will be available on short-notice call and responsible for providing any access to and surveillance of the structure as needed.

Name of Alternate Contact: Matt Logue Address: 9827 Cogdill Rd. Stel
Telephone: (912) 223-4390 Email Address: logue@llcinvest.com

APPLICATION FEE

See Fee Table. Application fee submitted to \$22,897.50

Please note that annual fees may also apply to your Agreement.

ATTACHMENTS to be included with Agreement Application (see Appendix F for submittal requirements)

- For all new Agreements:
 - Provide proof of land ownership (e.g. warranty deed, tax assessor notice) that is immediately adjacent to and shares a common boundary with District land. Submit site map, aerial photos, survey plats, or other documents depicting location of private property.

- A copy of the boundary line survey including the seal and signature of a licensed Professional Land Surveyor. The survey should include the boundary line between NTMWD property and the adjacent landowner/applicant along the entire length requested for use plus an additional 100 feet to either side of the requested use footprint or to the property boundary (whichever is shorter).
- A site plan showing the location of the proposed improvements/activities on NTMWD-owned property. The site plan should show the surveyed boundary line and the relative locations of any proposed improvements/activities on NTMWD land as well as any useful landmarks such as an adjacent residence.
- Access paths: include a plan view showing path route and dimensions and materials to be used. Plan should show topography and appropriate erosion control measures proposed.
- Vegetation modification: include a plan view showing the area to be included in the agreement. Describe the existing vegetation including species and type (e.g. trees, shrubs, grasses) to be removed or modified. If planting is proposed, please refer to the native plant list when making selections.
- For applications for new docks, please also attach:
 - One electronic set of structural plans, electrical plans, and specifications for dock facility that have been approved by a structural engineer. Please include all amenities proposed (e.g. storage box, solar battery storage, boat or PWC lift etc.) and provide construction materials and dimensions of facility. Reference to an approved dock plan on file with NTMWD is also acceptable. Please identify any additions or alterations to an approved plan. Structural alterations proposed are required to be stamped by a structural engineer and/or electrician as appropriate.
 - If the adjoining private land is jointly-owned (e.g. Trust, LLC, Non-Profit, etc.), dock applicants must provide documentation indicating their interest in the jointly-owned property.
 - If replacing an existing dock, submit a letter stating the old dock will be dismantled and removed within 30 days of the installation of the new dock.
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- For reissuance or renewal of dock agreements only:
 - Electrical Certification (if applicable);
 - Certificate of Compliance or signed statement that all noted deficiencies have been corrected. This signifies the dock meets current inspection criteria.
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Please review the conditions that are required of all Shoreline Lease and Use Agreements as found in the SMP. General conditions for Shoreline Lease and Use Agreements are found in Appendix C of the SMP. The general conditions will be applied to all Shoreline Lease and Use Agreements. Additional site-specific conditions may be developed following review of your application.

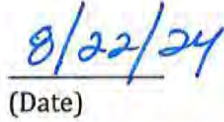
Note: NTMWD reserves the right to alter this form or to request additional information not specified in this form.

SIGNATURE

I hereby designate and authorize the agent/consultant identified above to act on my behalf in processing of this agreement application, and to furnish, upon request, supplemental information in support of this application for shoreline use.



(Signature of Applicant/Adjacent Landowner)



(Date)



(Printed Name of Applicant/Adjacent Landowner)



(Date)

(Signature of Applicant/Adjacent Landowner)

(Date)


(Printed Name of Applicant/Adjacent Landowner)

(Date)

I certify that the information provided on this form and all attachments related to this project are true and accurate to the best of my knowledge. I understand that failure to provide true and accurate information may result in the Application being denied or a previously approved Agreement being terminated.



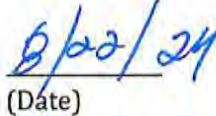
(Signature of Applicant)



(Date)



(Printed Name of Applicant)



(Date)

(Signature of Applicant)

(Date)

(Printed Name of Applicant)

(Date)

(Signature of Contractor)

(Date)

(Printed Name of Contractor)

(Date)

**DECLARATION OF COVENANTS, RESTRICTIONS, PROPERTY OWNERS
ASSOCIATION AND LIMITATIONS RUNNING WITH THE LAND
FOR FIVE POINTS SUBDIVISION AND THE HARBOR AT FIVE POINTS
SUBDIVISION**

THIS DECLARATION OF COVENANTS, RESTRICTIONS, PROPERTY OWNERS ASSOCIATION AND LIMITATIONS FOR FIVE POINTS and THE HARBOR AT FIVE POINTS (hereinafter together referred to as, "FIVE POINTS MEMBERS"), made and published this 18th day of June, 2024 by Bois d'Arc Lake Acquisitions, LLC, a Tennessee limited liability company, hereafter referred to together with its successors-in-title who come to stand in the same relation to the property as its predecessor did as "Declarant".

WHEREAS, FIVE POINTS MEMBERS will share use of Common Areas with one another and future subdivisions to become FIVE POINTS MEMBERS and it is the intent of Declarant to establish a general plan and uniform scheme of development and improvement of the upon referenced Property and each subdivision having the same standards for improvements, maintenance and conduct; and

WHEREAS, Declarant wishes to provide for the preservation and enhancement of property values, amenities and opportunity within the Property in order to contribute to the personal and general health, safety and welfare of the property Owners and residents therein and do maintain the land and improvements therein, and to this end wish to subject each subdivision comprising the Property to the covenants, restrictions, Owners association, easements, reservations, assessments, charges, liens and other provisions hereinafter set forth;

NOW THEREFORE, for and in consideration of the premises and of the benefits to be derived by the FIVE POINTS MEMBERS and each and every subsequent Owner of any of the parcels and numbered lots in said developments, Declarant does hereby set up, establish, promulgate and declare the following to apply to all of said parcels, numbered lots, marina and boat dock slips and to all persons owning said parcels or numbered lots or any of them, hereafter. These covenants shall become effective immediately and run with the land and shall be binding on all persons claiming under and through Bois d'Arc Lake Acquisitions, LLC, their heirs, successors, successor-in-title and assigns, and any of the subdivisions designated as FIVE POINTS MEMBERS, to-wit:

ARTICLE ONE
DEFINITIONS

The following terms, as used in this Declaration, shall have the following meanings:

- 1.1 DECLARANT shall mean Bois d'Arc Lake Acquisitions, LLC, a Tennessee limited liability company, or any successor, successor-in-title, or assign who takes title to any portion of the property described on Exhibits "A" and who is designated as the Declarant in a recorded instrument executed by the immediately preceding Declarant.
- 1.2 PARCEL AND LOT shall initially mean and refer those Lots surveyed, platted and recorded as shown as FIVE POINTS SUBDIVISION in Plat Cabinet D, Slide 103 and those refer those Lots surveyed, platted and recorded as shown as THE HARBOR AT FIVE POINTS SUBDIVISION in Plat Cabinet D, Slide 104 of the Clerk of Fannin County, Texas, incorporated herein by reference and made a part hereof, as specified in Exhibit "A", being attached hereto and incorporated herein, and shall also include those Lots surveyed, platted and recorded as shown in future annexed subdivisions referred to as FIVE POINTS MEMBERS through duly recorded Supplemental and Annexation to these Declarations.
- 1.3 OWNER shall mean and refer to the record Owner, whether one or more persons or entities, of any Lot or parcel which is a part of this Declaration, including contract sellers and Declarant. Owner shall not include a mortgage holder unless and until such mortgage holder has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.
- 1.4 ASSOCIATION shall mean and refer to Five Points POA, its successors and assigns.
- 1.5 BOARD shall mean and refer to the Board of Directors of the Five Points POA, its successors and assigns.
- 1.6 PROPERTY shall mean that real estate which is submitted to this Declaration as described on the plats of survey above referenced and as specified in Exhibit "A" hereof in addition to future annexed properties identified as FIVE POINTS MEMBERS.
- 1.7 ARC shall mean and refer to the Architectural Review Committee. The ARC will review and approve all construction plans.
- 1.8 ACC Checklist shall refer to the Architectural Control Checklist. The ACC Checklist must be completed and submitted to the ARC or Association prior to the commencement of any construction.

- 1.9 HOMES shall refer to houses within the Property.
- 1.10 COMMUNITY WIDE STANDARD shall refer to the standard for which the home design and construction shall be measured by prior to approval.
- 1.11 IMPACT FEE shall refer to the amount due prior to construction commencement.
- 1.12 PRIVATE ROAD shall refer to the road running through the community, excepting County Road 2985 which shall be maintained in accordance with this Declaration, but remain a Fannin County road.
- 1.13 BOAT DOCK shall refer to the Common Boat Dock which will contain multiple boat slips whether private or common, but shall not refer to private Boat Docks.
- 1.14 PRIVATE SLIP shall refer to those slips in the Common Property that are privately owned by individual Lot Owners.
- 1.15 COMMON SLIP shall refer to those slips in the Common Property that may be used by all Property Owners.
- 1.16 NTMWD shall refer to North Texas Municipal Water District. They constructed the lake and manage shoreline.
- 1.17 COMMON PROPERTY shall mean any and all real and personal property and easements and other interests therein, together with any facilities and improvements located thereon, now owned by the Declarant and hereafter owned by the Association for the common use and enjoyment of the Owners of all FIVE POINTS, including, but not limited to, roads as defined in Section 5.1, the boat docks, boat slips, clubhouse, pool, putt-putt golf course, walking and golf cart paths etc., located upon the Property and/or that tract leased from the County.
- 1.18 FIVE POINTS MEMBER shall refer to collectively to FIVE POINTS subdivision, THE HARBOR AT FIVE POINTS subdivision and one or more separate associated subdivisions which are bound, or will be bound, by this Declaration in order to create a general plan and uniform scheme of development and share in the use, maintenance and costs of the Common Areas and improvement for the purposes of member subdivisions having the same standards for improvements, maintenance and conduct.
- 1.18 DEVELOPER shall mean Bois d'Arc Lake Acquisitions, LLC, its heirs and assigns.

**ARTICLE TWO
PROPERTY SUBJECT TO THIS DECLARATION**

- 2.1 EXISTING PROPERTY. The initial property subject to this Declaration upon the recordation hereof in the county public records, are the Property, said property being described on the plat of survey referenced herein and as specified in Exhibit "A".
- 2.2 ADDITIONAL PROPERTY. Additional property annexed in accordance with procedures set forth in Article Eleven (11) of this Declaration shall become subject to this Declaration. Additional property shall mean all or any portion of any Fannin County, Texas property owned presently or in the future by the Declarant and/or any of its affiliated entities which it holds an ownership interest therein. Additional property must be adjacent to, contiguous with, across the road from FIVE POINTS MEMBERS or accessed from County Road 2985 to be annexed.

**ARTICLE THREE
USE RESTRICTIONS**

- 3.1 SUBDIVISION OF LOTS. No Lot shall be subdivided after conveyed by Declarant.
- (a) Lot 6 may be subdivided one time to create two separate Lots with County approval. Each subdivided parcel must meet County standards and the Lot Owner shall go through the permitting process with the County to get County approval.
- (b) Should Lot 6 be subdivided; both Lots shall become part of FIVE POINTS MEMBERS and be governed by this Declaration. Each Lot shall pay yearly dues.
- 3.2 COMMERCIAL ACTIVITY. No Lot shall be used for any commercial activity or business.
- 3.3 CONSTRUCTION OF HOMES. All homes and buildings must be completed within 12 months from the date construction begins.
- 3.4 GARAGES. Each house must contain a minimum two car garage, built in compliance with the Building Requirements of Article IV.
- 3.5 FENCES. Fences must be constructed of iron, aluminum or wood. All fences must

be approved by the Association. No chain link, barbed wire or privacy fences allowed, and the height of the fence may not exceed five feet.

- 3.6 LANDSCAPING. All residents must do a reasonable amount of landscaping. The reasonableness of the amount of landscaping done is to be determined by the Association. Each lot shall be maintained in a neat and attractive condition including but not limited to mowing and/or weed eating so as not to become an eyesore to adjoining lots. Landscaping must be completed within three (3) months of completion of construction.
- 3.7 PONDS AND WATER FLOW. No building of ponds, redirection or restriction of water flow in any creek, stream, branch, or spring is permitted. Maintenance of existing ponds, creeks, streams, branches, or springs is allowed.
- 3.8 LAND DISTURBING ACTIVITIES. No mining, quarrying, drilling, or other such land disturbing activities shall be permitted on any portion of said property, provided, however, land disturbing activities as necessary for construction of road, trails, utility lines, house sites, driveways, septic tanks and drain fields shall be permitted so long as all disturbances for any and all such land disturbing activities are done in an environmentally sound manner with minimal impact on the sensitive water environment and resources including but not limited to (i) the construction and maintenance of all sedimentation fences, etc. necessary to prevent all sedimentation, siltation, erosion, etc. from entering into the said streams, branches and/or springs and (ii) taking all steps necessary to prevent chemicals and/or other pollutants from entering into the said streams and/or branches.
- 3.9 CUTTING OF TREES. Lot Owners shall make every effort to maintain as much of the natural tree canopy as possible. Cutting for views must be approved by the Declarant or the Association and Owners shall only remove 10 percent of the trees on their Lot without the prior written consent of the Association. Furthermore, no tree with a diameter of 8 inches or larger may be removed without the consent of the Association. All trees that have been cut must be entirely removed from property immediately.
 - (a) No trees may be cut on individual Lots without prior approval of the Declarant or ARC unless home construction plans have been approved.
- 3.10 ANTENNAS AND SATELLITE DISHES. No large antenna or satellite dishes of more than 18 inches in diameter are permitted.
- 3.11 EROSION CONTROL. Owners must construct erosion control methods such as siltation fences and/or screens, etc. during the home building process.
- 3.12 NOISES. No loud or obnoxious noise, including but not limited to, incessant dog

barking, shall be permitted.

- 3.13 SIGNS. No advertising signs of any manner shall be permitted except during the 12 months of construction. During construction, one sign may be placed on the Lot advertising the construction company's name. This sign shall not exceed 24 inches by 24 inches in size and shall be removed at the completion of the home. No more than one sign may be placed on a Lot at a time without written approval of the Association. Construction signs shall not be placed upon a Lot until construction commences.
- 3.14 FOR SALE SIGNS AND REAL ESTATE AGENTS. No For Sale signs shall be placed on a Lot within the first 90 days of purchasing said Lot, or until such time as eighty percent of the Property has been conveyed by Declarant, or until the Declarant turns over control of the Association, or three years from the recording of this Declaration, whichever occurs first. The For Sale sign shall not exceed 18 inches by 18 inches in size and shall be constructed in the same manner and color as the original Lot sign. No generic For Sale Sign, nor shall there be any signs permitted at the entrance of the property.
- (a) The Declarant or Association reserves the right to restrict or prohibit brokers, real estate agents or associates from entering the Property if rules and regulations are not observed.
 - (b) The entrance gate code shall not be made public nor given out without the Association's approval.
 - (c) All prospective clients must be accompanied by the listing real estate agent as they enter the Property. No persons shall be granted access to the Property without written permission or without being accompanied by the Property Owner or their licensed agent.
 - (d) It is the responsibility of the existing Property Owner to notify the Association of intent to sell their Lot and to supply the Association with the new Property Owners contact information.
- 3.15 PROPANE TANKS. All propane tanks shall be placed underground.
- 3.16 SEWAGE DISPOSAL. All septic systems shall be approved by the Fannin County Health Department or its respective governing agent at the time of construction.
- 3.17 TEMPORARY STRUCTURES. No structure of a temporary character, such as a basement, trailer, tent, shed, shack, garage, barn or other outbuilding will be used on any Lot at any time as a residence whether temporarily or permanently.

- 3.18 MANUFACTURED HOME OR MOBILE HOME. No manufactured home or mobile home of any type shall be used or located on any Lot at any time whether temporarily or permanently.
- 3.19 RESIDENTIAL USE. There shall be only one single family, private, residential dwelling per parcel or Lot. No further subdivision of parcels or Lots shall be allowed. No residence may be used as a school, church, kindergarten, or business/commercial enterprise of any type and no such activity shall take place on any parcel or Lot whether temporarily or permanently.
- 3.20 SETBACKS. The minimum setbacks allowed within the Property shall be 50 feet along the front and 15 feet along the sides and 15 feet along the back. Setbacks are subject to change with County approval.
- 3.20 CLOTHESLINES. No clotheslines or outside drying area shall be located on any parcel or Lot.
- 3.21 GARBAGE AND TRASH CONTAINERS. No parcel or Lot shall be used or maintained as a dumping ground for rubbish, trash, or other waste. All trash, garbage and other waste shall be kept in sanitary containers except as required during trash collection.
- 3.22 PETS. No animals, livestock, cattle, goats, pigs or poultry shall be raised, bred, kept or maintained on any parcel or Lot, except that dogs, cats, or other ordinary household pets may be kept, provided they are not kept, bred or maintained for commercial purposes. No pet shall be permitted outside the boundaries of the Owners Lot unless accompanied by their Owners and all dogs must be on a leash.
- 3.23 RECREATIONAL VEHICLES. No recreational vehicle ("RV") shall be used on a Lot as temporary or permanent residence, nor shall recreational vehicles be parked on subdivision roads within the development; however, recreational vehicles may be parked on said lots provided that they are enclosed with a structure that has the same siding as the house located on the Lot. Professionally "State Licensed" RV's of 20 feet or longer in length shall be allowed on said Lot up to 3 consecutive days during a 30 day period, however, concrete pads or temporary power poles shall not be permitted.
- 3.24 NUISANCES. No Lot shall be used in whole or in part for any illegal activity or for the storage of rubbish of any character whatsoever or for the storage of any property or thing that will cause such Lot to appear in any unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing, or material be kept upon any Lot that will emit foul or obnoxious odors or that will cause any noise that will or might disturb the peace, quiet, comfort, or serenity of the occupants of surrounding property. No accumulation of discarded personal

effects, debris, waste or garbage shall be permitted on any Lot at any time.

- (a) No automobiles, trucks or other motor vehicles may be parked on the subdivision roads or in the cul-de-sacs.
- (b) No automobiles, trucks, or other motor vehicles without a current year license tag may be placed or allowed to remain on the property.
- (c) No trail bikes, three and/or multi wheelers, dune buggies, or other externally mounted engine vehicles shall be permitted in the development, including the Common Property, except for ingress and egress. Golf carts, Segways and small utility vehicles shall be permitted; however, all such vehicles shall be properly muffled so as not to disturb occupants of the surrounding property and must not be an annoyance to others.

3.25 TOWERS. No towers of any kind shall be erected.

3.26 LEASES. All rentals or leases of any property must be for a minimum of seven days in duration unless a lease for a shorter amount of time is approved by the Association. All leases must be in writing.

- (a) Under no circumstances shall a lease for an outbuilding or guest quarters be permitted. Any usage of outbuilding or guest quarters must be as part of a lease of the entire property under the terms herein.
- (b) Lot Owners are fully responsible for their tenants and must give written notice to the Association of their intent to lease or rent their property in advance. Additionally, the Association must be supplied with name of each lessee, their contact information and a signed rental agreement at least forty-eight hours prior to lessee occupying the property.
- (c) Property Owners shall not be allowed to lease their property if their tenants do not abide by the rules set forth in this section.

3.27 BOATS AND BOAT TRAILERS. Boats and boat trailers may be stored in the driveway of a house for no more than five days out of any thirty day period, however, they may be stored in the garage. Visible boats or trailers shall be removed immediately upon request of Declarant or Association.

3.28 CAMPERS AND TRAILERS. No campers or utility trailers may be stored on a Lot for more than two weeks per year unless they are stored in a garage.

3.29 COMMON PROPERTY. There shall be no obstruction of the Common Property, nor shall anything be kept, parked or stored on any part of the Common Property

without prior written consent of the Association, except as specifically provided herein. This includes, but is not limited to, parking in any of the roadways or streets that serve the subdivision, or the cul-de-sacs, or the Common Property.

(a) Neither the Declarant nor the Association shall be liable for any damage or injury resulting from such use of the Common Property to the extent permitted by law.

3.30 PRIVATE SLIPS. Private slips shall be leased for exclusive use to those Lot Owners who have obtained the right to lease and shall be used solely by the Lot Owner on record.

(a) Unincumbered Lease Rights for Private Slips may be transferred to another Lot Owner subject to approval of the POA or, if not previously conveyed, shall be conveyed with the Lot upon transfer of title of that individual Lot.

(b) In the event of foreclosure of a Lot, the rights to lease a Private Slip owned by the Lot Owner shall transfer with the Lot through said foreclosure.

(c) The right to Lease a Private Slip shall be attached to a Lot and such right that is attached to a Lot in any subdivision of FIVE POINTS MEMBERS shall only be transferred to an owner of a Lot within the same subdivision, attaching to new Owner's Lot after transfer of the right to Lease.

3.31 CAMPING. No camping on any Lot, with the exception of a one night backyard campout where a dwelling already exists.

3.32 SOLAR PANELS. Solar panels shall not be permitted upon a Lot without written consent of the ARC.

3.33 MAILBOX. Developer anticipates mail to be picked up and delivered at the local post office. However, the Developer has designated an area at the clubhouse for mailboxes to be constructed by the Association, should the need arise.

ARTICLE FOUR BUILDING REQUIREMENTS

4.1 MINIMUM BUILDING REQUIREMENTS. The following shall be minimum requirements for construction of any improvement on any Lot. All construction plans shall be approved by the Association or the Architectural Review Committee ("ARC").

(a) Home Size. All homes are required to be at least 2,000 square feet. Square

footage shall not include basements, garages or porches.

- (b) Construction. All dwellings must be site-built and constructed of either, brick, decorative block, rock, wood, stucco or Hardie Board. No vinyl or aluminum siding permitted. At least twenty percent (20%) of the exterior of the home must be stone, block or brick.
- (c) System Built Homes. System-built homes are not permitted unless prior approval of the Association or ARC has been given in writing.
- (d) Color. The ARC shall attempt to keep the exterior color schemes in harmony with the natural surroundings, and thus keeping a strong emphasis on earth tones. No bright or unusual colors shall be permitted.
- (e) Staining and Painting. Staining and/or painting of all exterior surfaces of improvements shall be adequately done by Lot Owner as needed or at least once every ten years.
- (f) Roof and Pitch. All roofs on dwellings shall have at least a 6:12 pitch, unless the home has a modern look with multiple pitches, which may be considered by the ARC. Except as a component of a modern look as stated, flat or shed roofs shall only be permitted over porches and deck areas. Standing seam metal roofs are permitted.
- (g) Driveways. All driveways and parking areas shall have a hard surface constructed of either concrete, asphalt or pavers. Driveways shall not be constructed without prior approval of the Declarant or ARC. Driveways must be completed within three months of the completion of the home.
- (h) Building Locations. All buildings must meet local building codes and setback requirements.
- (i) Garages. All Homes must, at a minimum, include a two car garage. All garages must be side loading or courtyard style. A variances for a front loading garage shall be reviewed when the topography of the land warrants such a request and no other options exist.
 - 1. Detached garages permitted. The detached garage shall be constructed in the same manner as the primary residence with regard to siding, style and roof color and shall have at least two garage doors.
 - 2. Guest quarters shall be permitted above the detached garage with county approval.

3. The detached garage shall not be constructed prior to home construction and may not be used as the primary residence.
- (j) Foundations. All home foundations shall be finished with brick, stone, stucco or built of split-face block that has the appearance of natural stone. No exposed block shall be permitted either on the side of the home, or under decks or porches. All retaining walls shall be constructed of cement or cement blocks and finished to the same standards. No exposed blocks or concrete permitted. Railroad ties shall not be permitted for the construction of retaining walls.
- (k) Utility Lines. All utility lines (including electrical, telephone and cable TV lines) shall be placed underground.
- (l) Property Appearance. The Owner of each Lot, whether vacant or occupied, shall maintain the Lot in a neat and attractive condition.
- (m) Swimming Pools. In ground pools shall be permitted but must have prior approval of the Association or ARC prior to construction. No above ground pools permitted.
- (n) Private Boat Docks. Owners of lakefront lots may apply for a Private Boat Dock permit NTMWD and be:
1. No larger than 1000 square feet.
 2. Located and placed pursuant to the survey showing Private Boat Dock placement.
- (o) Landscaping. Landscaping around dwellings shall be completed within three months of completion of construction.
- (p) Irrigation. Lawn irrigation is strongly encouraged.
- (q) Builders. All contractors, builders and subcontractors must be approved by the Association or ARC prior to start of construction. Declarant shall have the sole authority to approve or disapprove of contractors.
1. The Declarant reserves the right to restrict or deny contractors, sub-contractors or builders from entering or building in the community at their sole discretion.
- (r) Miscellaneous Controls. There shall be no window air conditioning units. **No lattice shall be allowed** on houses and no exposed concrete or block walls permitted.

(s) ARC. The ARC shall have the full and complete authority to deny construction plans, at their sole discretion, if said plans do not represent the Community Wide Standard.

(t) Boat Ramp. Construction of a Boat Ramp, or dropping a boat into the water with use of a vehicle and trailer is prohibited from any Lot or Common Area, unless a Permit is obtained from NTMWD.

4.2 PARCEL OR LOT SIZE. Notwithstanding other provisions of these covenants Declarant shall have the right to combine any lots or parcels, or portions of lots or parcels into other lots that are a part of this subdivision, in effect changing the boundary line of the lots so long as the number of resulting lots is no more than shown on the Final Survey for any individual FIVE POINTS MEMBERS, and so long as the Lot size meets county, city and local building requirements. However, other than the above exception for Declarant, no residential parcel or Lot shall be subdivided into smaller tracts than the original tract size as shown on the above referenced plats of survey, except for Lot 6 which may be subdivided one time with county approval. The Association does not have any authority to grant variances under this paragraph.

4.3 ARCHITECTURAL AND BUILDING CONTROLS. With the specific exception of Declarant, all building plans with regard to exterior color and overall aesthetic appeal must be approved by the Declarant for five years from the date of these covenants provided Declarant still owns a Lot in this subdivision or until Declarant turns this authority over to the Association at an earlier time, at Declarant's sole discretion. Once Declarant no longer has the authority to approve building plans pursuant to this paragraph they must be approved by a two-thirds vote of the Board of Directors for the Association with regard to exterior color and overall aesthetic appeal. It is the aesthetic goal of this development that all improvements shall be uniform in appearance. All construction shall be in compliance with state and local building codes at all times.

(a) The standard for approval of building plans shall include, but not be limited to: (i) aesthetic consideration; (ii) materials to be used; (iii) compliance with the standards then in effect at the Property and widely adopted (the "Community-Wide Standard"), this Declaration, or the design standards which may be adopted by the Association or Architectural Review Committee (ARC); (iv) harmony with the external design of the existing buildings, lots and structures, and the location in relation to surrounding structures and topography; and (v) any other matter deemed to be relevant or appropriate by the Board or ARC.

(b) Before construction commences, Owners must present two copies of blue line schematic drawings to the ARC and a completed Architectural Control

Checklist ("ACC Checklist") for approval. The ACC Checklist consists of the following:

1. A copy of the preliminary site plan disclosing location of all improvements to be placed upon Lot.
 2. A copy of the schematic drawings of home, locating improvements on Lot, showing elevation on all four sides, color schemes, building materials, and all site improvements.
 3. Proof of insurance, builder's risk, errors and omission, liability and workmen's compensation.
 4. List of all subcontractors to be used during construction.
- (c) Upon receipt of a completed ACC Checklist, the ARC must respond within thirty days for final approval.
- (d) One copy of site plan and schematic drawings will be returned to Owner.
- (e) Property Owners are responsible for agents, employees, contractors and subcontractors.
- (f) For so long as Declarant shall own a Lot in a FIVE POINTS MEMBERS subdivisions, regardless of how ownership is taken, Declarant shall not be required to submit any plans for approval. However, the Declarant shall abide by the limitations, controls and restrictions of these Declarations.
- (g) Review and approval of any application pursuant to this paragraph may be made on any basis, including solely the basis of aesthetic considerations. Neither the Declarant, Association nor ARC shall bear any responsibility for ensuring the design, quality, structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes, zoning regulations and other governmental requirements. Neither the Association, the ARC, the Declarant nor member of any of the foregoing shall be held liable for any injury, damages or loss arising out of the manner, design or quality of approved construction on or modifications to any Lot.
- (h) The ARC shall have the authority and standing, on behalf of the Association, to impose reasonable fines and to pursue all legal and equitable remedies available to enforce the provisions of this paragraph and the ARC's decisions.

**ARTICLE FIVE
MAINTENANCE OF ROADWAY, IMPROVEMENTS,**

AND COMMON PROPERTY

- 5.1 ROADS. The roads within the communities of FIVE POINTS MEMBERS are and will remain private roads.
- 5.2 ROAD REPAIR. Declarant shall maintain the Roads within the Property until Declarant turns road repair over to the Association upon the first Association meeting. Each Lot Owner covenant and agrees to participate and cooperate, on a pro rata basis, in the repair, replacement, maintenance and operation of the Roads and to maintain all slopes or other supports on all Lots for purposes of providing lateral support to the Roads including, but not limited to, costs, repair and expenses. It is expressly acknowledged and understood by the Lot Owners that damage to the subdivision Road caused directly by any construction by or other activities of a particular Lot Owner shall be the responsibility of said Owner to repair. Said damage shall include, but not be limited to, that damage caused by irresponsible use of and/or loading on said road during adverse conditions. Declarant shall deed the roads to Association once Declarant conveys all the Lots in the subdivision; provided, however, nothing shall prevent Declarant from deeding the roads at an earlier time at Declarant's sole discretion.
- (a) Upon approval of the ARC of building plans submitted to it, pursuant to Section 4.3 above, there will be due a \$2,000.00 Impact Fee, from each Lot Owner, for maintenance and road improvement. Any approval given shall be contingent upon receipt of this fee, whether specified or not in said approval. This fee shall be paid prior to construction on said Lot. If a Lot Owner fails to pay this fee prior to the beginning of construction, the ARC may file a lien against the Property Owners for the amount owed plus penalties; withdraw any prior approval given, or any other remedies available at law or in equity. If the Impact Fee has not been paid prior to construction commencement the fee shall be increased to \$2,500.00. The Impact Fee shall increase at \$500.00 increments every fifteen days until the fee has been paid.
- (b) Lot Owners shall be responsible for damage created to the Property by their contractors and sub-contractors. The amount due for such damage shall be determined by the ARC.
- (c) So long as Declarant is responsible for maintaining the subdivision roads, the above Impact Fee shall be used by Declarant to repair roads. Declarant shall keep said fee in an escrow account, and keep an accurate accounting of how the funds were used.
- (d) Pursuant to an agreement with Fannin County, Developer shall pave and maintain that portion of County Road 2985 lying between the intersection of County Road 2985 and F. M. Highway 1396 to the end of Lot 38 of FIVE

POINTS subdivision, at which time the Association shall assume the responsibility of maintaining the above described section of County Road. According to the agreement with Fannin County, should additional communities be constructed, that use County Road 2985 to access their property, those additional lots shall financially assist in the maintenance of County Road 2985. Developer reserves the right to expand the maintenance requirements of the Association on County Road 2985 if any portion of County Road 2985 falls within the borders of real property controlled by Developer, Declarant or the Association.

(e) In the event Developer acquires an additional tract of land or additional tracts of land that could be accessed from County Road 2985, Developer may, without Owner approval, dedicate to the Association as a Private Road and/or Right of Way, for limited and intended use by OWNERS, all or part of County Road 2985. Developer also reserves the authority to accept dedication of all or part of County Road 2985 as a Right of Way and/or Private Road or otherwise from the Developer, Declarant or County on behalf of the Association.

5.3 RESPONSIBILITY. Owners shall be solely responsible for any repairs, and costs of such repair, for the acts of their guests, invitees, agents or family members for damage to the private roads caused by gross negligence, intentional misfeasance of usage of the Private Road in a manner not constituting reasonable, ordinary, everyday or typical use of the Private Road. All such repair shall be completed in a timely and workmanlike manner.

5.4 MAINTENANCE OF COMMON PROPERTY/AREA. Declarant shall maintain and keep in good repair the Common Property until it deeds the Common Property to the Association, at which time the Association shall take title to said property of both subdivisions. Thereafter, the Association shall maintain and keep in good repair the Common Property. This maintenance shall include, without limitation, all maintenance, repair, and replacement subject to any insurance then in effect, of all landscaping grass areas, paving, and other improvements, if any, situated on the Common Property.

ARTICLE SIX EASEMENTS

6.1 EASEMENT GRANTS. The following easements are hereby granted and/or reserved over, across, and through the property.

(a) ROAD INGRESS AND EGRESS. There is hereby granted to all parcel or Lot Owners of FIVE POINT, their heirs, successors, and assigns, and to all Owners

of the limited Common Property, their heirs, successors, and assigns, a reciprocal easement for ingress and egress across all roadways contained in all FIVE POINTS subdivisions as well as access from the public roads to each subdivisions' roads.

- (b) NTMWD EASEMENT. The NTMWD shall have a perpetual, non-exclusive easement of ingress and egress over and across all roadways of FIVE POINTS MEMBERS to access Leased Property for the purpose of inspecting the Leased Property and improvements thereon and enforcements of the terms of the Lease Agreement pertaining to the Leased Property.
- (c) PUBLIC EASEMENTS. Fire, police, health, sanitation, medical, ambulance and other public service personnel and their vehicles have a perpetual, non-exclusive easement of ingress and egress over and across all roadways contained in both subdivisions for the performance of their respective duties.
- (d) GATED ENTRANCE. Each FIVE POINTS MEMBERS will have a gate across the entrance to each separate subdivision. All gates and their use shall be governed by the Association and said gates shall not inhibit, in any way, the peaceful and unfettered enjoyment of the easements described herein.
- (e) UTILITY EASEMENTS. Declarant does hereby establish for the benefit of, and grant and convey to, the Owner of each Lot, a perpetual, nonexclusive easement appurtenant to each of the other Lots for the purpose of construction, installation, maintenance, repair, replacement, renewing, connecting into and use by such Owner of gas, telephone, power, water, sewer, or other utility lines serving any portion of a Lot within ten feet of the boundary line(s) of any Lot(s), provided there are no buildings or structures constructed in such areas. All such utility lines shall be installed and maintained below the ground level or surface of the Lots (except for such parts thereof that cannot be and are not customarily placed below the surface, such as transformers and control panels, which shall be placed in such location as approved by the Owner of the affected Lot.
- (f) GOLF CART EASEMENTS. There shall be a golf cart path easement ten (10) feet in width for the use by Lot Owners and their guests for ingress and egress at Lot 24 and Lot 104. These Cart Paths shall be maintained by the FIVE POINTS POA.

**ARTICLE SEVEN
FIVE POINTS PROPERTY OWNERS ASSOCIATION**

- 7.1 MEMBERSHIP. All Lot Owners shall become members of FIVE POINTS POA

("Association") at time of closing. Each Lot shall have one vote only regardless of whether the parcel or Lot is owned by multiple titleholders owning jointly. The Declarant and its successors are all members of the Association until all Lots are sold or the Declarant reacquires any previously sold Lots.

7.2 CONTROL BY DEVELOPER. Declarant shall have the absolute authority to control the Association as long as they own at least one Lot. Declarant may relinquish partial or total control of the Association earlier in Declarant's sole discretion. Members of the Association, including Declarant after control is relinquished, are entitled to one vote per Lot owned, and may assign the Declarant rights at their discretion. Declarant may establish by a separate document with rules governing the affairs of the Association. Once the Declarant has relinquished total control, the Association may amend those rules by a seventy-five percent (75%) approval by a quorum of members and eighty percent (80%) approval by the Board.

7.3 MEETING. An Association meeting shall be called and convened each year at some time during the months of July or August after Declarant has relinquished control of the Association, or another date so agreed upon by the new Board of Directors. Declarant, or an assigned representative, shall preside as temporary chairman at the first Association meeting and shall serve as the Board of Directors until such time as the Declarant no longer has control or has relinquished control. Prior to relinquishing control, a special meeting shall be called and a new Board of Directors shall be appointed by Developer. Future Annual Meetings, shall provide for the election of Board Members. Written notice of any meeting called shall be sent to all Association members not less than thirty days or more than sixty days in advance of the meeting. At the meetings the presence of members either in person or by proxies entitled to cast fifty percent of all votes shall constitute a quorum. No quorum shall be required for the Declarant to relinquish control of the Association.

(a) The acts approved by a majority of those present at a meeting either in person or by proxies at which a quorum is present shall constitute the acts of the members, except when approval by a greater number of members is required by the Declaration or By-Laws.

7.4 ASSESSMENTS. The annual Association assessment shall be **Two Thousand, Four Hundred and no/100 dollars (\$2,400.00)** per Lot, per year.

(a) This amount may be reviewed by the Association on an annual basis and may be increased, or decreased, as necessary to meet the needs as described herein. Any increase up to five percent (5%) may be made by a seventy-five vote of the Board after the Declarant has relinquished control of the Association. Any increase of more than five percent (5%) in a given year must be approved by a vote of seventy-five percent (75%) of Lot Owners once the Declarant has

relinquished control of the Association.

- (b) The Lot Owners of each Lot owned within the Property, by acceptance of a deed, therefore, hereby covenants, whether or not it shall be so expressed in such deed, and is deemed to covenant and agree to pay the Association's annual assessments and special assessments subject to the terms of this paragraph.
- (c) Declarant and later the Association shall keep the Assessment funds in an escrow account, and keep an accurate accounting of how this money was used. Any funds in this escrow account, upon Declarant relinquishing this responsibility to the Association, shall be turned over to the Association.
- (d) Annual assessments are due the 1st day of January of each new calendar year.
- (e) No Lot(s) within FIVE POINTS subdivisions which are owned or legally reclaimed by the Declarant, or one of their affiliate companies, shall be assessed the yearly dues until said Lot(s) have been sold, and conveyed by the Declarant.

7.5 ASSESSMENT PURPOSE. Annual assessments shall be used for road maintenance (all roads), landscaping, entrance gate maintenance, insurance premiums, taxes, utility fees and improvements, maintenance, cleaning and caring of the Common Property regardless of whether the Declarant or the Association owns the Common Property, or other purposes the Declarant or later the ARC desires to use said assessments for that exclusively promote the recreation, health, safety and welfare of the residents in the subdivision; provided, however, the maintenance of Common Property and the payment of the insurance described above shall be given absolute priority over any other use of the Assessments that may be determined by the Association at a later date.

- (a) The annual assessment shall be used to mow the grass along the edges of the road and mow the Common Property a minimum of two times per month, or as needed, to maintain community appeal and Community Wide Standard.

7.6 PRIVATE SLIP ASSESSMENT. There shall be a Private Slip Assessment required to be paid by each Owner of a Lot which is accompanied by a Right to Lease a Private Slip equal to the Slip Lessee's pro-rata share of the annual insurance premium plus the Lessee's pro-rata share of the Association's obligation under the Property Lease agreement for community and shared Docks based on the total number of Private Slips.

- (a) The Private Slip Lessees, by acceptance of a deed for a Lot which is accompanied by a Right to Lease a Private Slip, hereby covenants, whether or not it shall be so expressed in such instrument, and is deemed to covenant and agree to pay the Association's Private Slip Assessment subject to the terms of

this paragraph.

- (b) Declarant and later the Association shall use Assessment funds to pay the Boat Dock insurance premiums and the lease fees of the Property Lease when they become and keep an accurate accounting of how this money was used.
- (c) Annual Private Slip Assessments are due on the 1st day of January of each new calendar year.
- (d) No Private Slips within FIVE POINTS subdivisions that are leased by the Declarant, or one of their affiliate companies, shall be assessed the yearly dues until said Lot(s) have been sold and conveyed by the Declarant.

7.7 SPECIAL ASSESSMENTS. Special assessments may be made for any lawful purpose by the approval of seventy-five percent of the membership at the meeting once a quorum is established.

7.8 DELINQUENT ASSESSMENTS.

- (a) If the annual, private slip or special assessments, or assessments for maintenance of Common Property, are not paid on or before thirty days after the date when due, then such assessment shall become delinquent and shall, together with interest thereon and costs of collection thereof as hereinafter provided, thereupon 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. If the Association files a claim of lien on the public records of Fannin County, against any Lot, a lien fee shall be added to the unpaid assessment and secured by the lien hereby created.
- (b) If the annual assessment is not paid within thirty days after the date when due, the assessment shall bear interest from the date of delinquency at the rate of fifteen percent per annum, or the maximum allowed by law. The Association may bring an action of law against the Owner personally obligated to pay the same, or to foreclose the lien against the property, in the same manner as foreclosure of a mortgage, and there shall be added to the amount of such assessment interest as provided herein together with the costs of the action and collection of the assessment, including a reasonable attorney's fee and costs and fees on appeal. Reasonable attorney's fees and costs of collection shall be recoverable whether or not suit is brought. In addition, if the annual assessment is not paid within thirty days after the date when due, then the Owner shall lose right to use of the Common Property and assigned slips (excluding subdivision roads) until such time as assessments are paid in full.
- (c) The lien of the assessments provided for herein shall be subordinate to the lien

of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien; however, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof shall extinguish the lien of such assessment as to payment which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessment thereafter becoming due or from the lien thereof.

- (d) The Association shall upon demand at any time furnish to any Lot Owner liable for said assessment a certificate in writing and in recordable form, signed by an officer of the Association, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

7.9 INSURANCE.

- (a) The Declarant shall obtain a public liability policy applicable to the Common Property and Boat Docks, covering the Association and its members for all damage or injury caused by the negligence of the Association or any of its members or agents in their capacities as such, and, if reasonably available, directors' and officers' liability insurance. The public liability policy shall have a combined single limit of at least one million dollars (\$1,000,000.00). The Association shall be responsible for ensuring this policy stays intact once the Common Property and the Boat Docks are turned over to the Association.
- (b) Insurance coverage obtained by the Association shall be written in the name of the Association, as trustee, for the respective benefitted parties, as further identified in subparagraph (ii) below. Such insurance shall be governed by the provisions hereinafter set forth;
 - (i) All policies shall be written with a company licensed to do business in Texas;
 - (ii) Exclusive authority to adjust losses under policies obtained by the Association shall be vested in the Board; provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto;
 - (iii) In no event shall the insurance coverage obtained and maintained by the Association hereunder be brought into contribution with insurance purchased by individual Lot Owners or Private Slip Owners whichever is applicable, occupants, or their Mortgagees, and the insurance carried by the Association shall be primary;
 - (iv) All casualty insurance shall have an inflation guard endorsement and an agreed amount endorsement if these are reasonably available and all insurance policies shall be reviewed annually by one or more qualified persons, at least one of whom must be in the real estate industry and familiar with construction in the county where the

- property is located;
- (v) The Board shall be required to make every reasonable effort to secure insurance policies that provide for the following;
 - (1) a waiver of subrogation by the insurer as to any claims against the Association, the Association's manager, the Owners and their respective tenants, servants, agents, and guests;
 - (2) a waiver by the insurer of its rights to repair and reconstruct instead of paying cash;
 - (3) a provision that no policy may be canceled, invalidated, suspended or subjected to non-renewal on account of any one or more individual Owners;
 - (4) a provision that no policy may be canceled, invalidated, suspended, or subjected to non-renewal on account of any defect or the conduct of any director, officer, or employee of the Association or its duly authorized manager without prior demand in writing delivered to the Association to cure the defect or to cease the conduct and the allowance of a reasonable time thereafter within which a cure may be effected by the Association, its manager, any Owner or Mortgagee;
 - (5) that any "other insurance" clause in any policy exclude individual Owners' policies from consideration; and
 - (6) that no policy may be canceled or substantially modified or subjected to non-renewal without at least thirty days prior written notice to the Association.
 - (c) Each Owner covenants and agrees that in the event of damage and destruction of structures on their Lot(s), Owner shall proceed promptly to repair or to reconstruct the damaged structure in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with this Declaration, unless a determination not to rebuild is made. The Owner shall pay all costs of repair or reconstruction which are not covered by insurance proceeds. In the event that the structure is totally destroyed and a determination is made not to rebuild or to reconstruct, Owner shall clear the Lot of all debris and return it to substantially the natural state in which it existed prior to the beginning of construction and thereafter the Owner shall continue to maintain the Lot in a neat and attractive condition consistent with the community-wide standard.
 - (d) Owner shall proceed promptly to repair or to reconstruct the damaged structure in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with this Declaration, unless a determination not to rebuild is mutually made by owners affected by the

damaged Boat Dock finger. The Owner shall pay all costs of repair or reconstruction which are not covered by insurance proceeds. In the event that the structure is totally destroyed and a determination is made not to rebuild or to reconstruct, Owner shall clear the Lot of all debris and return it to substantially the natural state in which it existed prior to the beginning of construction and thereafter the Owner shall continue to maintain the Lot in a neat and attractive condition consistent with the community-wide standard.

7.10 REPAIR AND RECONSTRUCTION. In the event of damage to or destruction of all or any part of the Common Property as a result of fire, weather or other casualty, unless at least seventy five percent (75%) of the Lot Owners vote not to proceed with the reconstruction and repair of the structure, the Association or its duly authorized agent shall arrange for and supervise the prompt repair and restoration of the damaged structures.

- (a) Cost Estimates. Immediately after a fire, weather or other casualty causing damage to the Common Property, the Association shall obtain reliable and detailed estimates of the cost of repairing and restoring the structures to substantially the condition which existed before such casualty, allowing for any changes or improvements necessitated by changes in applicable building codes. Such costs may also include professional fees and premiums for such bonds as the Association determines to be necessary.
- (b) Source and Allocation of Proceeds. Excepting Boat Docks, if the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair, as determined by the Association, or if at any time during the reconstruction and repair or upon completion of reconstruction and repair the funds for the payment of the costs thereof are insufficient, a special assessment shall be made against all of the Lot Owners without the necessity of a vote of the members. If after repair and reconstruction is completed there is a surplus of funds, such funds shall be common funds of the Property to be used as directed by the Board.
- (c) Source and Allocation of Proceeds Boat Docks. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair, as determined by the Association, or if at any time during the reconstruction and repair or upon completion of reconstruction and repair the funds for the payment of the costs thereof are insufficient, a special assessment shall be made against all Lot Owners for the Community Slip portion of repairs of the Boat Dock and Private Slip Owners on a pro-rata basis with each Private Slip Owners paying one share per slip owned and damaged divided by total boat slips on the Boat Dock destroyed or damaged. If after repair and reconstruction is completed there is a surplus of funds, the portion of Private Boat slip funds collected through assessment shall be returned to the Private Boat Slip owners

with the community Boat Slip portion shall be common funds of the Property to be used as directed by the Board.

- (d) Plans and Specifications. Any such reconstruction or repair shall be substantially in accordance with the plans and specifications under which the structures were originally constructed, except where changes are necessary to comply with current applicable building codes or where improvements not in accordance with the original plans and specifications are approved by the Association.
- (e) Construction Fund. The net proceeds of the insurance collected on account of a casualty and the funds collected by the Association from assessments against Lot Owners, if any, on account of such casualty shall constitute a construction fund which shall be disbursed in payment of the cost of reconstruction and repair in the manner set forth in this paragraph to be disbursed by the Association in appropriate progress payments to such contractor(s), supplier(s), and personnel performing the work or supplying materials or services for the repair and reconstruction of the buildings as are designated by the Association.
- (f) Damage to or Destruction of Dwellings on Lots or individual Boat Slip. In the event of damage to or destruction of structures on a Lot or an individual Boat Slip, the Owner shall proceed promptly to repair or to reconstruct the damaged structure in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with this Declaration, unless a determination not to rebuild is made by the Lot Owner in cases of substantial damage or destruction. If the structure is substantially destroyed and a determination is made not to rebuild or to reconstruct, the Owner shall clear the Lot of all debris and return it to substantially the natural state in which it existed prior to the beginning of construction, and, thereafter, the Owner shall continue to maintain the Lot in a neat and attractive condition consistent with the Community-Wide Standard. In the case where some, but not all fingers of the Boat Dock are damaged, the Boat Slip Owners utilizing that finger shall be responsible for the repairs of damaged finger.
- (g) Tree damage on Lot. Lot Owner(s) shall proceed promptly to remove all damaged or fallen trees or those that have been cut on said Lot.

7.11 SALE OF LOTS. Within thirty days after receiving title to a Lot, the purchaser of the Lot shall give the Association written notice of their Ownership of the Lot(s). Upon failure of an Owner to give the required notice within the thirty-day time period provided herein, the Association may levy fines against the Lot and Owner thereof, and assess the Owner for all costs incurred by the Association in determining their identity.

- 7.12 SECURITY. The Declarant or Association may, but shall not be required to, from time to time, provide measures or take actions which directly or indirectly improve safety on the Property; however, each Owner, for himself or herself and his or her tenants, guests, licensees, and invitees, acknowledges and agrees that the Association is not a provider of security and shall have no duty to provide security on the Property. It shall be the responsibility of each Owner to protect his or her person and property and all responsibility to provide security shall lie solely with each Lot Owner. Neither the Declarant nor Association shall be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken.
- 7.13 ESCROW ACCOUNT. All funds collected are required to be held in an escrow account under these covenants.
- 7.14 DECLARANT'S RIGHT TO ASSESSMENTS. So long as Declarant owns and/or maintains the Common Property, Declarant shall have the right to the proceeds collected by the Association from any and all Assessments to pay for the maintenance, taxes and insurance of the Common Property. In the event the Association fails to reimburse or pay, on demand, the Declarant the amounts necessary as set forth above, the Declarant shall have the right, by written notice to each Lot Owner, to instruct that all further Assessments be paid to Declarant in lieu of the Association, and to enforce non-payment of Assessments by Lot Owners in such an event in the manner set forth above.

ARTICLE EIGHT

PROPERTY RIGHTS IN COMMON PROPERTY AND CLUBHOUSE

- 8.1 USE OF COMMON PROPERTY. There shall be no obstruction of the Common Property, nor shall anything be kept, parked or stored on any part of the Common Property without prior written consent by the Association, except as specifically provided herein.
- (a) The use of the Common Property shall be governed by the Declarant, until such time as they turn the Common Property over to the Association, after such time the use of the Common Property shall be governed by the Association. The Declarant, while in control of the Common Property, and thereafter the Association, shall have the authority to establish written policies for the use of the Common Property.
- (b) Anyone who uses a portion of the Common Property hereunder shall assume, on behalf of himself/herself/themselves and his/her/their guests, occupants and family, all risks associated with the use of the Common Property and all liability for any damage or injury to any person or thing as a result of such use.

Neither the Declarant, nor Board, nor Association shall be liable for any damage or injury resulting from such use unless such damage or injury is caused solely by the willful acts or gross negligence of the Association, its agents or employees.

- (c) All trash must be removed immediately upon use of the Common Property. Trash shall not be deposited into the lake, other common areas or upon Lots. Upon use of the fire pits or grills, the user shall clean and remove all debris, ashes, burnt logs, etc.
- (d) Common Slips shall be used on a temporary basis and shall not be occupied overnight.
- (e) All Common Properties shall be for the sole use of Lot Owners and their guests.
- (f) Guests using Common Properties must be accompanied by Lot Owner.
- (g) No boat trailers may be parked in the parking area.
- (h) Use of the Common Property shall be revoked for any Property Owner that is delinquent on the annual dues by more than thirty days.

8.2 DECLARANT USE OF COMMON PROPERTY. Declarant shall be permitted full use and enjoyment of common property for so ever long as Declarant owns a Lot or property within any subdivision of FIVE POINTS.

8.3 TITLE TO COMMON PROPERTY. The roadways and Common Property shall be conveyed to the Association at any time Declarant desires, but in all events before Declarant conveys the last Lot owned in this subdivision. However, title shall be conveyed subject to the following covenant which shall be deemed to run with the land and shall be binding upon the Association, its successors and assigns:

- (a) In order to preserve and enhance the property values and amenities of the development, the Common Properties and all facilities now or hereafter built or installed thereon shall at all times be maintained in good repair and condition. The maintenance and repair of the Common Properties shall include, but not be limited to the repair of damage to roadways, walkways, outdoor lighting, fences, decking, stonework, clubhouse repair, pool maintenance, and landscape maintenance.
- (b) This section shall not be amended to reduce or eliminate the obligation for maintenance and repair of the Common Property.

8.5 SWIMMING POOL. The community swimming pool shall be available to Lot

Owners and their Guest at such times set by the Association as times allowable by law. There is no lifeguard on duty and Owners accept responsibility and liability for themselves and their Guests and further indemnify the Declarant and the Association against any injury or death resulting from the use of the swimming pool, pavilion or any of the amenities of the Subdivision.

- 8.7 LEASED PROPERTY. The Declarant is working with NTMWD on a Shoreline Lease and Use Agreement ("Lease Agreement") for the use of the tract of land owned by NTMWD and being adjacent to the property line of FIVE POINTS and THE HARBOR AT FIVE POINTS extending to Bois d'Arc Lake as described in Lease Agreement ("Leased Property").
- (a) The Declarant has recommended that the Leased Property contain boat docks, access cart path and parking.
 - (b) The Association shall be responsible for adhering to the terms of the Lease Agreement by, including, but not limited to, maintenance and upkeep of improvements, setting and enforcing rules of use in accordance with the Lease Agreement and providing NTMWD with continued access and contact information for any necessary ongoing correspondence.

ARTICLE NINE ENFORCEMENT AND DURATION

- 9.1 ENFORCEMENT. If an Owner of any parcel or Lot within a subdivision of FIVE POINTS MEMBERS violate any of the covenants set forth in this Declaration, it shall be lawful for any other person owning real property in any FIVE POINTS subdivision or the Association to prosecute any proceeding at law or in equity against any person or persons violating any of such covenants and either to prevent such Owner from so doing or to recover damages for such violations, or both.
- 9.2 AMENDMENT. The covenants, restrictions, easements, reservations, terms and conditions contained in this declaration shall run with the land and shall be binding upon all Lot Owners and their heirs, successors and assigns, provided, however that the Declarant retains the absolute right to amend this declaration, as he may deem necessary, until the Declarant has fully turned over control of the Association. All such amendments shall be binding upon all Lot Owners. Except as clearly stated in Section 9.4 or as otherwise provided in this Declaration, the Association shall have the right to amend these covenants once Declarant has released full control of the Association by approval of the Owners of seventy-five percent of the Lots subject to this Declaration; provided, however, that the parcels and Lots shall NOT be divided into smaller tracts than as shown on the plats of survey above referenced except as provided in Section 4.2 above and that the land designated as Common

Property shall NOT be sold and shall not be used for residential or commercial purposes during the duration of these covenants and restrictions. All amendments to the Declaration shall become effective upon recordation, unless a later effective date is specified in the amendment.

- 9.4 **AMENDMENT AFFECTING DECLARANT.** No amendment may remove, revoke, or modify any right or privilege of the Declarant without the written consent of the Declarant or the assignee of such right or privilege.
- 9.5 **DURATION OF COVENANTS AND RESTRICTIONS.** These covenants and restrictions shall run with said land and shall be binding upon all portions and all persons claiming under them perpetually to the extent permitted by law. However, so long as Texas law limits the period during which covenants restricting lands to certain uses may run, any covenant affected by the law shall run with and bind the land so long as permitted by the law, after which time the provisions shall be automatically extended for successive periods of twenty years, unless seventy-five percent of the persons owning parcels or lots execute a document to terminate the covenants containing a legal description of the entire area affected by the covenant, a list of all Owners affected by the covenant, a description of the covenant to be terminated and evidence of the Owners voting to terminate recorded with the Clerk of Fannin Count, Texas. A written instrument reflecting any termination must be recorded no sooner than, but within two years immediately preceding the beginning of a twenty year renewal period. Every purchaser or grantee of any interest (including, without limitation, a security interest) in any real property subject to these covenants, by acceptance of a deed or other conveyance, agrees that the covenants contained herein may be extended and renewed as provided in this paragraph.
- 9.6 **BINDING OF HEIRS, ETC.** The terms and provisions of this Agreement shall be binding upon and shall inure to the benefit of the Declarant and Owners and their respective heirs, administrators, executors, legal representatives, successors and assigns. Time is of the essence in each and every provision of these Agreements.

ARTICLE TEN RESERVATION BY DECLARANT OF EASEMENTS

- 10.1 Declarant hereby reserves unto Declarant, its heirs, successors and assigns, all necessary licenses, rights, privileges and easements over, under, upon, through and across the Property to, including without limitation, (i) use said Property for rights-of-way and easements to erect, install, maintain and use electric and telephone lines, wires, cables, conduits, water mains, pipes, and other suitable equipment for the conveyance and use of electricity, telephone equipment and service, cable,

television, water or other public/private conveniences or subdivision utilities; (ii) to access the Property for purposes of development and construction, including, but not limited to grading, installation and removing personal property such as silt fencing and other environmental control measures; and (iii) such other rights as may be reasonably necessary to complete in an orderly and economic manner the development of all present and future phases of FIVE POINTS MEMBERS; provided, however, that said reservation and right shall not be considered an obligation of Declarant to provide or maintain any such utility, development or service. Declarant also reserves the right to connect with and make use of the utility lines, wires, pipes, conduits, cable, television, sewers and drainage and other utility lines which may from time to time be in or along the streets and roads within the Property. All easements, rights-of-way, rights, licenses and privileges herein reserved in Declarant shall be binding upon the Property and shall inure to the benefit of Declarant, its heirs, successors and assigns until such time as Declarant has quit claimed all its interests in the Property by filing such quit claim document with the Clerk of Superior Court of Fannin County for purposes of recording same on the deed records of the county.

ARTICLE ELEVEN ANNEXATION OF ADDITIONAL PROPERTY

- 11.1 As the owner or, if not the owner, with the consent of the owner, Declarant shall have unilateral right, privilege, and option from time to time at any time until twenty (20) years after the recording of this Declaration to subject all or any portion of any Fannin County, Texas property that the Declarant and/or Scott Rye, individually or in a legal entity in which Scott Rye has an ownership interests presently or in the future, to the provisions of this Declaration and the jurisdiction of the Association by filing for record in Fannin County Texas, a Supplementary Declaration describing the property being annexed. Additionally, property located in Fannin County, Texas that is owned presently or in the future by the Declarant and/or Scott Rye, individually or in a legal entity in which Scott Rye has an ownership interests, shall be allowed to be annexed in accordance with all procedures as set forth. Any annexation shall be effective upon the filing for record of a Supplementary Declaration unless a different effective date is provided in the Supplementary Declaration. As long as covenants applicable to the real property previously subject to this Declaration are not changed and as long as rights of then Owners are not adversely affected, the Declarant may unilaterally amend this Declaration to reflect the different character of any annexed real property.
- 11.2 The rights reserved to Declarant to subject additional land to the Declaration shall not impose any obligation upon Declarant to subject any of such additional land to this Declaration or to the jurisdiction of the Association. If such additional land is not subject to this Declaration, Declarant's reserved rights shall not impose any

obligation on Declarant to impose any covenants and restrictions similar to those contained in the Declaration upon the additional land.

SO EXECUTED this 18 day of June, 2024.

Bois d'Arc Lake Acquisitions, LLC, Declarant

[Signature] (SEAL)
By: Scott Rye, Managing Member

STATE OF Tn
COUNTY OF Knox

I, Jessica Davenport a Notary Public of the County and State aforesaid, do hereby certify that Scott Rye personally came before me this day and acknowledged that he is a Member of Bois d'Arc Lake Acquisitions, LLC, and further acknowledged execution of this Declaration of Covenants, Restrictions, Property Owners Association and Limitations Running With The Land For Five Points Subdivision and The Harbor at Five Points Subdivision on behalf of the LLC.

Witness my hand and official seal, this the 18 day of June, 2024.

(Seal-Stamp)

[Signature]
Notary Public

My commission expires: 02/28/27

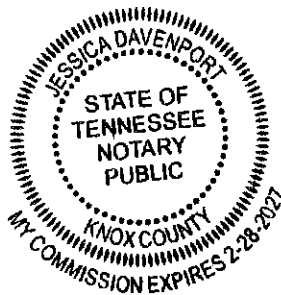


EXHIBIT "A"
PROPERTY DESCRIPTION

FIVE POINTS

All that certain piece, parcel or lot of land lying and being situate in the State of Texas, County of Fannin, containing 99.629 acres, more or less, on a plat of survey for Bois d'Arc Lake Acquisitions, LLC, revised May 1, 2024 prepared by Hardin Surveying and recorded June 18, 2024, in Plat Cabinet D at Page 103, Fannin County records and known as FIVE POINTS. Reference is hereby made to the more recent plat for a more particular description by metes and bounds.

TOGETHER WITH:

THE HARBOR AT FIVE POINTS

All that certain piece, parcel or lot of land lying and being situate in the State of Texas, County of Fannin, containing 86.534 acres, more or less, on a plat of survey for Bois d'Arc Lake Acquisitions, LLC, dated February 14, 2024 prepared by Hardin Surveying and recorded June 18, 2024, in Plat Cabinet D at Page 104, Fannin County records and known as THE HARBOR AT FIVE POINTS. Reference is hereby made to the more recent plat for a more particular description by metes and bounds.

FILED AND RECORDED
Fannin County, Texas
Tammy Biggar, County Clerk
101 E. Sam Rayburn Dr. #102
Bonham, Tx 75418

FILING AND RECORDING DATE: 06/24/2024 10:37AM

RECORDING FEE: 145.00

Instrument Number: 2024003959

Document Type: DECLARATION

Number Of Pages: 32

Parties: BOIS D'ARC ACQUISITIONS LLC

To: FIVE POINTS ET AL

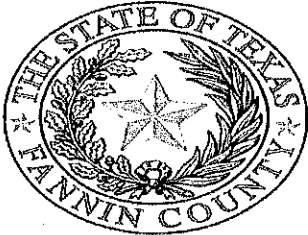
Receipt # 4051600

DocId 8071670

Received By: VICKIE MILLER

DO NOT DESTROY - *Warning, this document is part of the Official Public Record.*

I hereby certify that this instrument was FILED AND RECORDED on the date and time stamped hereon and FILED AND RECORDED in the OFFICIAL PUBLIC RECORDS of Fannin County, Texas.



Tammy Biggar
Tammy Biggar, Fannin County Clerk

NOTICE: It is a crime to intentionally or knowingly file a fraudulent court record or instrument with the clerk.

Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY because of

By: VICKIE MILLER
Deputy

FILED AND RECORDED
In the Official Public Records
of Fannin County Texas
Tammy Biggar, Fannin County Clerk
Document #: 2024003959
06/24/2024 10:37:33 AM
DECLARATION
Number of Pages: 32
Receipt #: 4051600



Architectural Planning Criteria Dock Specifications

Complete, correct and in compliance with the SMP.

Structural Components:

Commercial and residential -

All structural aluminum components shall be of 6000 series high strength marine grade aluminum.

Minimum thickness on all outer main frame E-channel shall be 3/16" and secondary components a minimum of 1/8".

Main frame E-channel minimum depth 10" with outer wall ribbed to provide aesthetics and increase web stiffness.

All tubing shall have radius corners and a minimum wall thickness of 1/8"; maximum 1/4"

Decking Surface:

Extruded Lockdry™ aluminum decking panels to be 1" x 6" with raised ridges for added slip resistance.

Joist spacing to be set on a maximum of 36" centers maintaining minimal surface deflection.

Decking finish-Textured powder coat finish meets or exceeds AAMA 2604 for Salt Spray Resistance and Outdoor Exposure testing in South Florida.

Available colors: Buckskin, Hearthstone, and Granite Gray.

Hardware:

All self drilling screws, bolts, nuts, and washers are stainless steel.

300 series - bolts

400 series - self drilling screws (zinc plating on self drilling flooring screws)

Main frame bolts shall be a minimum 3/8" diameter with self locking nuts.

Flotation:

Corp Approved EPS Billets – Totally enclosed with high-density polyethylene. Polyethylene shall contain UV Ray inhibitors and Carbon Black pigment to protect against ultraviolet deterioration. Nominal wall thickness .150. Impervious to petroleum products. Heavy duty mounting flanges and slots. 12-year warranty.

Foam: Virgin polystyrene beads closed cell with water absorption less than 3lbs./c.f. at seven days, when tested in accordance with ASTM C272.

Dock access:

Ramp/gangways to be all aluminum construction using an arched bridge truss design. High strength to weight ratio. Reinforcement gussets at all corners and connection points. Main structural component to be 2" tubing with radius corners.

Handrails/Guard Rail

37" to 42" above walking surface. No sharp corners, burrs, etc.

Ramp/gangways will meet ADA requirements where required with a minimum clear width of 5' and will include guardrail, handrail and kick plate.

Infill pickets are available to improve safety if desired. Spacing is 4" OC.

Rail shall be designed to accommodate a 250# concentrated load in any direction. Alternately guards shall be designed to resist a load of 50# per linear foot applied in any direction.

Dock railing:

Staircase and upper deck rails meet standard code with 4" centers for safety. Powder coat finish. Available in 36" to 42" height.

Roof Panels - Commercial and Residential

26 Gauge R-Loc panels with a Valspar Weather X coating. 30-year limited panel warranty. Optional 35-year warranty upon request.

Trimmed out & finished upper and lower perimeter edges.
Color chart available.

Bumpers:

Vinyl Horizontal – All swim platforms or edges without vertical posts shall receive a P-shape, black rub rail fastened with stainless steel hardware.

Vinyl horizontal corner bumpers provided at finished ends of P-shape rub rail.

Frame Bumper – 1' x 1' polyethylene bumper, typically used around main frame perimeter concealing entire 10" band.

Cleats:

All cleats shall be 8" nylon. 10" cleats available if required.

Cleats will be provided on each side of every boat slip.

All parts of cleats should be smooth and incorporate large radii to ensure rope longevity.

System Design:

Main frame substructure consists of 2 1/4" x 10" heavy gauge E-channel integrated throughout.

Floor joist spacing for aluminum decking 24" OC. For decking supplied by others 12" up to 24" OC.

Floor joist material heavy weight 2 1/4" x 10" E-channel, 2 1/4" x 8" C-channel, and 2" x 2" square tube. Full 10" depth at post areas and braces.

Reinforcement bracing at high stress areas, corners, and connection points.

Roof support post constructed of 4" x 4" x 1/8" with radius corners integrated into main frame with 4" x 10" aluminum sleeve "receivers".

4" x 4" typically used for diagonal bracing where required for added strength and stability.

Residential - Structural roof support posts shall be a maximum of 8' spacing for upper deck roofs and 10' spacing for gable and hip roofs.

All purling material shall be of 6000 series heavy strength aluminum 2" x 2" tubing with all ends capped and shall be secured to C-channel truss system using stainless steel bolts, nuts and washers.

Roof support posts shall be incorporated into 8" C-channel roof truss and 10" E-channel main frame using corner sleeve extrusions with a 1/8" wall thickness.

Roof posts are secured in sleeves using double 3/8" stainless steel bolts and nylon lock nuts to give maximum anchorage and a secure connection.

Commercial – Structural roof support posts shall be a maximum of 6' spacing to meet R-Loc panel requirements.

All purling material shall be of 6000 series heavy strength aluminum 3" x 7" Z-beam and shall be secured to 4" support posts using stainless steel bolts, nuts and washers.

Double diagonal gussets included at all post sleeve locations in main frame as well as additional gussets added at all high stress and tension locations such as ramp/gangway and anchoring attachment points.

Size Requirements: Dock footprint shall meet square footage criteria regulated by permitting department.

**PLACEHOLDER FOR DESIGN DOCUMENTS TO BE
INCLUDED PRIOR TO EXECUTION OF AGREEMENT**

Developer Documents

EXHIBIT B

Shoreline Lease and Use Agreement

DRAFT

**SHORELINE LEASE AND USE AGREEMENT
BETWEEN NORTH TEXAS MUNICIPAL WATER DISTRICT and
FIVE POINTS AND THE HARBOR AT FIVE POINTS POA**

This Shoreline Lease and Use Agreement (the “Agreement”) is between North Texas Municipal Water District (“NTMWD” or “District”), a wholesale water and wastewater provider that owns and operates Bois d’Arc Lake (the “Lake”) in Fannin County, Texas, and Bois d’Arc Lake Acquisitions, LLC. (“Developer”) and Five Points & The Harbor at Five Points POA (the “Association”), which serves Five Points and The Harbor at Five Points (Developer and Association may collectively be referred to as “Lessee”). NTMWD and Lessee may also be referred to individually as a “Party” or collectively as the “Parties.”

Recitals

WHEREAS, NTMWD and Lessee are authorized to enter into this Agreement pursuant to Chapter 62, Acts of the 52nd Legislature, 1951 (Article 8280-141, Vernon’s Texas Civil Statutes) and other applicable laws;

WHEREAS, NTMWD operates Bois d’Arc Lake (the “Lake”) as a public drinking water supply reservoir and allows opportunities for public recreation on the Lake;

WHEREAS, Developer owns land adjacent to NTMWD-owned property at the Lake (the “Property”) that is subject to the Five Points and The Harbor at Five Points covenants, conditions, and restrictions that are included herein as **Exhibit X**;

WHEREAS, the Developer has obtained final plat approval for the Development from Fannin County and has sold lots to third parties;

WHEREAS, prior to the sale of lots within the Development, the Developer predetermined areas adjacent to certain lots where future owners may request a Lease and Use Agreement from NTMWD;

WHEREAS, the Developer disclosed those predetermined areas to lot owners at the time of sale and lot owners may not request a Lease and Use Agreement from NTMWD outside of those predetermined areas without prior approval from the Developer or Association.

WHEREAS, Lessee seeks to lease and use the adjacent NTMWD-owned property (the “Leased Property”) and maintain improvements on the Leased Property, including structures and facilities on or over the water surface of the Lake (the “Improvements”) constructed by Developer pursuant to that certain Preliminary Development Agreement between the North Texas Municipal Water District and Bois d’Arc Lake Acquisitions, LLC. effective September ___, 2024 (the “Development Agreement”);

WHEREAS, the Association is the legal entity presiding over all shared Improvements within Five Points and the Harbor at Five Points communities and no other agreements will be allowed for shared Improvements on the Leased Property that were not part of the Development Agreement;

WHEREAS, Lessee acknowledges there is a Permanent Flowage and Flood Easement (the "Easement") associated with Property, on land located between the 541 feet mean sea level ("MSL") and 545 MSL contour elevations;

WHEREAS, Lessee is aware the conditions of the Easement are permanently in effect and are separate from the requirements and conditions of this Agreement and the Shoreline Management Plan ("SMP");

WHEREAS, this Agreement may authorize certain uses of the Easement, in addition to uses of the Leased Property, which shall not be inconsistent with conditions of the Easement, but may impose further restrictions on the Easement, for which Lessee agrees to comply with, in accordance with the terms of this Agreement;

WHEREAS, Developer completed construction of the Improvements on [REDACTED], 202 [REDACTED] (the "Project"); and

WHEREAS, pursuant to the Development Agreement, Lessee is required to enter into this Agreement, has reviewed this Agreement, and accepts its terms and conditions, including the general and special conditions described herein.

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, NTMWD agrees to grant Lessee the right to lease and use the Leased Property, and Lessee agrees to pay for such lease and use, upon the terms and conditions and for the consideration hereinafter set forth, to wit:

Lessee Information

Name: Bois d'Arc Acquisitions, LLC.

Telephone, Area Code, and Number: 912-223-4390

Email: logue@llcinvest.com

Address: 9827 Cogdill Rd. Suite #1

City, State Zip Code: Knoxville, TN 37932

Legal Description of Boundary Line with Leased Property (Survey attached)

[REDACTED], an addition to Fannin County, Texas according to the map and plat thereof recorded at [REDACTED] Official Map and Plat Records of Fannin County, Texas

Improvements Description (Specific structures and facilities) including a Site Plan

Use Description (Specific use and activities authorized)

The following specific uses and activities are hereby authorized so long as such uses and activities are in compliance with the General Conditions of this Agreement and the SMP. Any uses or activities not authorized, such as a Special Event Authorization, must be separately authorized by NTMWD.

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GENERAL CONDITIONS

1. **REFERENCES.** Except as otherwise specifically provided, any reference herein to NTMWD shall include its duly authorized representatives. Any reference to “Lessee” shall include their duly authorized representatives.
2. **AGREEMENT FEES.** Lessee shall pay, in advance, to NTMWD, compensation in accordance with **Exhibit X**. Fees are subject to change upon renewal of the Agreement.
3. **AGREEMENT SCOPE.** This Agreement is entered into solely with Lessee for the purpose described in this Agreement. The exercise of the privileges herein granted shall be:
 - a. without cost or expense to NTMWD;
 - b. subject to the right of NTMWD to improve, use, or maintain the Leased Property;
 - c. subject to other outgrants of NTMWD on the Leased Property except as otherwise provided herein;
 - d. this Agreement, or any interest therein, may not be transferred or assigned without the prior express written approval of NTMWD.
4. **TERM.** This Agreement shall be for a term of five (5) years with Lessee having the sole option to extend the Agreement for subsequent five-year terms subject to NTMWD revising the terms and conditions of the Agreement at the time of each renewal with such revisions being consistent with revisions made to other shoreline lease and use agreements, including but not limited to a current or updated fee/fine schedule. At least ninety (90) days prior to expiration of the Agreement, and any renewal thereof, Lessee may provide a Notice to Surrender its rights under the Agreement and elect to not renew the Agreement.
5. **RELEASE.** Upon the completion of Improvements as set forth herein and the transfer of Improvements to the Association, Developer may assign its rights and obligations under this Agreement to the Association and be released from Developer’s obligations and surrender any and all rights Developer may have under this Agreement to the Association with the prior express written approval of NTMWD.
6. **NOTICE.** Unless otherwise provided herein, any notice, communication, request, reply or advice (herein severally and collectively, for convenience, called “Notice”) herein provided or permitted to be given, made or accepted by any Party to any other Party must be in writing and may be given or be served by depositing the same in the United States mail postpaid and registered or certified and addressed to the Party to be notified, with return receipt requested, or by delivering the same to an officer of such Party, or by electronic mail, addressed to the Party to be notified at the email address provided below. Notice deposited in the mail in the manner described above shall be conclusively deemed to be effective, unless otherwise stated herein, from and after the expiration of three (3) days after it is so deposited. Notice given in any other manner shall be effective only if and when received by the Party to be notified. For the purposes of notice, the contact information of the Parties shall, until changed as hereinafter provided, be as follows:

If to Developer
or Association:

If to NTMWD, to:

Jennafer P. Covington
Executive Director/General Manager
North Texas Municipal Water District
P.O. Box 2408
Wylie, Texas 75098
972-442-5405
jcovington@ntmwd.com

The Parties hereto shall have the right from time to time and at any time to change their respective contact information and each shall have the right to specify as its contact information any other contact information by at least fifteen (15) days' written notice to the other Party hereto.

7. **OPERATION, MAINTENANCE REPAIR, & REPLACEMENT.** The operation, maintenance, repair, or replacement of Improvements authorized by this Agreement shall be performed at no cost or expense to NTMWD and subject to the express written approval of NTMWD. Anything not expressly authorized in writing by NTMWD as an Improvement activity or an approved deviation from an Improvement activity is expressly prohibited. Upon the completion of any of such operation, maintenance, repair or replacement, Lessee shall immediately restore the Leased Property to the satisfaction of NTMWD. The use and occupation of the Leased Property for the purposes herein granted shall be subject to NTMWD's property ownership rights, the policies as set forth in the SMP, and to all applicable federal, state, and local laws and regulations. If Improvements are removed for storage or extensive maintenance, NTMWD may require portions of the Improvements be removed from the Leased Property. Further, Lessee agrees to operate and maintain any Improvements and/or use in a manner so as to provide safety, minimize any adverse impact on fish and wildlife habitat, natural, environmental, or cultural resource values and in a manner so as to minimize the degradation of water quality.
8. **COMMUNITY FACILITY USE AND ACCESS.** NTMWD is not responsible for managing or maintaining access to, or use of, any Lessee community facilities located on the Leased Property. Lessee has sole responsibility of operation and maintenance of all Lessee community facilities located on the Leased Property. Lessee further has sole responsibility for interacting with individual property owners of the Association regarding access to, and use of, the Leased Property (including community facilities), and shall be solely responsible for ensuring property owners do not violate any terms of this Agreement. Any violation of this Agreement by an individual property owner shall be deemed a violation of this Agreement by Lessee and Lessee will be responsible for paying fines imposed by NTMWD due to violations by individual property owners, unless and excepting any improvements made by individual property owners after obtaining an individual Shoreline Lease and Use Agreement from NTMWD. Association shall continue to enforce covenants and restrictions, but individual lessees shall be solely responsible for

paying any fines imposed by NTMWD pursuant to the individual's Shoreline Lease and Use Agreement.

9. **LESSEE INSPECTION.** Lessee acknowledges it shall inspect the Improvements at reasonable intervals and immediately repair any defects found by such inspection or when required by NTMWD to repair any such defects.
10. **LESSEE'S REPRESENTATIONS.** Lessee represents that it will not be in violation of any regulations or restrictions imposed by Fannin County, Texas, or by any deed restrictions that may be attached to the Property, and that any required variance has been secured. Lessee further agrees to fully enforce the covenants, conditions, and restrictions of Association, as included in **Exhibit X** and as amended from time to time, against individual property owners of the Association. NTMWD assumes no responsibility for, and Lessee will hold NTMWD harmless from, disputes of title, rights, or liability for damages to persons or property arising from the construction, operation, maintenance, repair, or existence of any Improvements on the Leased Property. If at any time, the condition or presence of the Improvements interferes with the operation of the Lake or the safety of persons or property using the surface thereof, Lessee agrees to immediately make any and all changes or corrections necessary to make the Improvements comply with this Agreement or remove the Improvements from the Leased Property at Lessee's expense.
11. **RELEASE & ASSUMPTION OF RISK.** Lessee acknowledges that Bois d'Arc Lake is not a "constant level" or "controlled level" lake and is **SUBJECT TO DROUGHT OR FLOODING WITHOUT WARNING**. Lessee acknowledges and agrees that the Leased Property is accepted "**AS-IS, WHERE-IS,**" with all defects, whether known or unknown. Lessee recognizes the risk inherent in owning, operating, and maintaining Improvements in close proximity to, and over, the Lake because of the risks associated with flooding, high water, and drought conditions. These risks include, but are not limited to, lake level fluctuations resulting in Improvements, such as docks, being completely unusable during flood or drought conditions, which can extend over months or years, as it relates to multi-year drought conditions. As a condition of, and in consideration for, NTMWD's entering into this Agreement, as between NTMWD and Lessee, Lessee **AGREES TO ASSUME ALL RISK** of destruction of or damage to any Improvements and the property of Lessee or third parties located on the Property, Leased Property or Easement and to assume all risk of bodily injury or death to any person on the Property, Leased Property or Easement associated with the Improvements resulting from any cause. As part of the assumption of risk, Lessee, for itself and its heirs and assigns, **EXPRESSLY RELEASES NTMWD FROM ALL LOSS, COSTS, AND LIABILITY FOR (1) DAMAGE OR DESTRUCTION TO ANY OF ITS PROPERTY LOCATED ON OR AT THE PROPERTY, LEASED PROPERTY OR EASEMENT RESULTING FROM ANY CAUSE AND (2) BODILY INJURY OR DEATH TO LESSEE OR ANY FAMILY MEMBER OR OTHER PERSON AT THE PROPERTY, LEASED PROPERTY OR EASEMENT.**

12. **INDEMNIFICATION.** NTMWD shall have no liability whatsoever, either to Lessee, Lessee's successors, assigns, guest invitees or any other third party, for property damage to Lessee's Improvements or the contents thereof, **EVEN IF CAUSED BY NTMWD'S NEGLIGENCE.** NTMWD shall not be liable to Lessee or Lessee's guests, visitors, invitees or to any other person whomsoever, for any injury to person or damage to property on or about the Property, Leased Property or Easement due to **ANY CAUSE WHATSOEVER, INCLUDING WITHOUT LIMITATION, INUNDATION OR FLOODING OF THE PROPERTY, LEASED PROPERTY OR EASEMENT OR THE EFFECTS OF DROUGHT,** and Lessee agrees to indemnify NTMWD and hold it harmless from any loss, expenses, or claims including attorney's fees, arising out of any such damage or injury, **INCLUDING INJURY TO PERSON OR DAMAGE TO PROPERTY THE SOLE OR CONTRIBUTING CAUSE OF WHICH IS THE NEGLIGENCE OF NTMWD.** If any action or proceeding is brought against NTMWD by reason of any such claim, Lessee, upon notice from NTMWD, will defend such action or proceeding with counsel acceptable to NTMWD.
13. **WAIVER OF ANY TAKINGS CLAIM.** Lessee **WAIVES ANY CLAIM IT MAY NOW OR IN THE FUTURE HAVE AGAINST NTMWD FOR A STATE OR FEDERAL "TAKINGS" or "INVERSE CONDEMNATION"** of either the Property or the Improvements or the portion of the Leased Property or Easement on which the Improvements are located resulting from Lake levels being inconstant or from flooding, high water, drought, or similar occurrence, even if any of these occurrences are caused or alleged to be caused, in whole or in part, by NTMWD, whether through NTMWD's negligence or otherwise.
14. **NO GOODS OR SERVICES PROVIDED TO NTMWD.** The Parties agree that pursuant to this Agreement Lessee is not providing any "good or services" to NTMWD and this Agreement is not a contract subject to Chapter 271, Subchapter I of the Texas Local Government Code because no "goods or services," as such terms have been interpreted by courts in the State of Texas, are provided by Lessee to NTMWD pursuant to this Agreement.
15. **DAMAGE TO LEASED PROPERTY.** Lessee shall be liable for any and all damage that may be caused to the Leased Property by the activities of Lessee, or individual property owners of Lessee, under this Agreement and shall exercise due diligence in the protection of all property located on the Leased Property against fire or damage from any and all other causes. Any property of NTMWD damaged or destroyed by Lessee, or individual property owners of Lessee, incident to the exercise of the privileges herein granted shall be promptly repaired or replaced by Lessee to a condition satisfactory to NTMWD, or at the election of NTMWD, reimbursement made therefore by Lessee in an amount necessary to restore or replace the property to a condition satisfactory to NTMWD.
16. **NTMWD'S ACCESS TO LEASED PROPERTY.** The right is reserved to NTMWD, its officers, agents, and employees to enter upon the Leased Property at any time and for any purpose necessary or convenient in connection with NTMWD work, to make inspections, to remove any material, except property of Lessee approved for use on the Leased Property,

and/or to make any other use of the lands as may be necessary in connection with NTMWD purposes, and Lessee shall have no claim for damages on account thereof against NTMWD or any officer, agent, or employee thereof. NTMWD's authorized representative shall be allowed to cross Lessee's property, excluding sold individual lots as shown on the recorded Plats unless such access is authorized by separate agreement, as necessary, to inspect Improvements. NTMWD will notify Lessee of any deficiencies noted and will establish a schedule for their correction. No deviation or changes from approved plans for Improvements will be allowed without prior written approval of NTMWD. Any deviations from the Improvements require prior written approval by NTMWD after Lessee submits a request to NTMWD for a deviation in writing. NTMWD has thirty (30) days to review and respond to the request from Lessee. Notwithstanding the foregoing, if NTMWD determines during an inspection that a noncompliance issue concerns a significant imminent threat to the environment or public health, safety, and general welfare, NTMWD may take whatever action necessary within the authority of NTMWD to eliminate such threat, including but not limited to, requiring Lessee to immediately address the noncompliance issue.

17. **COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS.** This Agreement is subject to all applicable federal and state laws and any applicable permits, ordinances, rules, orders, and regulations of any local, state or federal governmental authority having or asserting jurisdiction, including, but not limited to, the provisions of the latest edition of the National Electrical Code (NEC). Nothing contained herein shall be construed as a waiver of any right to question or contest any such law, ordinance, order, rule, or regulation in any forum, having jurisdiction. This Agreement does not authorize any injury to private property or invasion of private rights or any infringement of local, state or federal laws or regulations, nor does it obviate the necessity of obtaining local, state, or federal assent required by law for the operation, use, maintenance, or repair of the Improvement and/or use.
18. **RULES AND REGULATIONS.** The Leased Property shall be expressly subject to all rules and regulations promulgated by NTMWD for the construction, use, maintenance, and enjoyment of the Leased Property, including without limitation, all regulations and requirements of NTMWD, now or hereafter enacted. By signing this Agreement, Lessee specifically acknowledges that it has read the applicable requirements of the Bois d'Arc Lake Rules and Regulations, the SMP, and Fannin County Zoning Regulations and agrees that Lessee's use of the Leased Property shall at all times be in compliance with such plans and regulations.
19. **COMPLIANCE WITH OTHER AGREEMENTS.** Lessee shall remain in compliance with all other agreements between Lessee and NTMWD including, but not limited to, compliance with other agreements related to shoreline activities and applicable Flowage and Flood Easements. Non-compliance with any other NTMWD agreement, contract, lease, or easement shall be considered non-compliance with this Agreement.
20. **EROSION CONTROL STRUCTURES.** Lessee shall maintain, in a manner satisfactory to NTMWD, all soil and water conservation structures that may be in existence upon the

Leased Property at the beginning of this Agreement, and Lessee shall take appropriate measures to prevent or control soil erosion within the right-of-way herein granted. Lessee agrees to allow any adjacent landowner that holds a lease with NTMWD to connect to shoreline erosion control structures constructed by Lessee in order to facilitate contiguous shoreline erosion control between adjacent leased properties, including maintenance thereof. Any soil erosion occurring outside the Leased Property resulting from the use of the Leased Property shall be corrected by Lessee as directed by NTMWD.

21. **BOAT DOCK FACILITY USE.** Boat dock facilities shall be limited to the mooring of Lessee's, or Lessee's individual property owner's, vessels or watercrafts and the storage of equipment essential to the operation of such vessels or watercrafts. Equipment must be stored in enclosed storage box facilities, such as lockers or equipment closets. Equipment may not be left unsecured or unattended. Chemical and petrochemical products shall not be stored on a boat dock facility at any time and shall not be considered "equipment."
22. **COMMERCIAL ACTIVITIES PROHIBITED.** No attempt shall be made by Lessee to forbid the full and free use by the public of all waters adjacent to the Improvements. No charge may be made for use by others, excepting the assessments to cover non-commercial costs such as property lease payments, insurance, upkeep and maintenance to lot owners, of the Improvement nor shall commercial activities, including any form of advertising, be conducted thereon.
23. **HABITATION PROHIBITED.** No habitation is authorized on the Leased Property or the Easement. No Improvements, camping equipment, temporary structures, recreation vehicles, nor any moored vessel shall be used as a place of habitation or as a full or part-time residence or in any manner that gives the appearance of human habitation, including habitation of any pets, on the Leased Property or the Easement. Household furnishings are not permitted on boat docks or other structures.
24. **TRANSFER OF INTEREST.** Improvements authorized under this Agreement will not be rented (whether short-term or long-term, directly or indirectly, or through an internet-based company like Airbnb, Inc.), sub-let or provided to others by any means of engaging in commercial activities by Lessee or his/her agent for monetary gain. This does not preclude Lessee from selling total ownership of the Improvements or sub-letting boat slips to lot owners to share in the cost of lease and maintenance of the shared dock. If ownership of the Improvements is sold or transferred, Lessee or new owner will notify NTMWD of the action prior to finalization. The new owner must apply for a new Shoreline Lease and Use Agreement within thirty (30) days or remove the Improvements and restore the Leased Property within sixty (60) days from the date of ownership transfer. The new owner is responsible for paying any recording or processing fees.
25. **RECORD OF AGREEMENT FILED IN OFFICIAL PUBLIC RECORDS.** NTMWD will file a record of this Agreement, referred to as the "Record of Agreement," with the Fannin County Clerk in the Fannin County Official Public Records.

26. **FLOATS AND FLOTATION MATERIALS.** Floats and the flotation material for all docks shall be fabricated of materials manufactured for marine use and in accordance with the approved plans in **Exhibit X**. The float and its flotation material shall be one hundred (100) percent warranted for a minimum of eight (8) years against sinking, becoming waterlogged, cracking, peeling, fragmenting, or losing beads. All floats shall resist puncture and penetration and shall not be subject to damage by animals under normal conditions for the area. All floats and the flotation material used in them shall be fire resistant. The use of new or recycled plastic or metal drums or non-compartmentalized air containers for encasement or floats is prohibited.
27. **ANCHORING.** The gangways to boat docks, fishing piers, or any other overwater structure shall be securely attached to the shore in accordance with the approved plans by means of moorings that do not create tripping hazards along the shoreline or adversely affect the natural terrain or vegetation. Anchoring to vegetation is prohibited.
28. **DREDGING.** Unless authorized in writing by a special condition, this Agreement does not authorize lake dredging. Lake dredging requires an individualized analysis by the United States Army Corps of Engineers (“USACE”) to determine whether it must be approved by USACE. Lake dredging may be allowed for community docks, if the following conditions are met: 1) prior to dredging, the applicant must coordinate with NTMWD to obtain express written approval for the dredging activity; 2) if approval from NTMWD is obtained, the applicant must then obtain appropriate state or federal authorizations and/or permits, including a USACE Clean Water Act Section 404 permit, if required; 3) once any required state or federal authorizations and/or permits are obtained, the applicant must complete the NTMWD agreement process by providing NTMWD with copies of any such required authorizations and/or permits; and 4) Lessee must provide NTMWD with notification of the dredging activity that includes the estimated start date and end date for the dredging activity and a description of the specifications and construction methods to be employed during the dredging activity.
29. **IMPROVEMENT STANDARDS.** Docks and other permitted improvements must conform to the standards found in the SMP and **Exhibit X**. These standards address electrical service and lighting, signage, improvement size and length, improvement location and spacing, orientation of the improvement to the shoreline, improvement maintenance, and other features and amenities as described in the SMP. Any deviation from the SMP requirements will be considered a violation of this Agreement.
30. **PERSONAL PROPERTY.** Loose personal property that has the ability to float must be stored in a secure locker or removed from the Leased Property when not in use.
31. **AGREEMENT DISPLAY TAG.** The Agreement Display Tag shall be posted on the Improvements and/or on the land areas covered by the Agreement so that it can be visually checked with ease in accordance with instructions provided by NTMWD.
32. **VEGETATION.** No vegetation other than that prescribed in this Agreement will be damaged, destroyed, or removed. In no event will vegetation be disturbed to the extent the

right-of-way will be subject to erosion or natural beauty destroyed. All disturbed areas shall be seeded, replanted, or given some type of equivalent protection against subsequent erosion. No change in landform such as grading, excavation or filling is authorized by this Agreement. No vegetation planting of any kind may be done, other than that specifically prescribed. Only native species are allowed. An approved native plant list is provided in the SMP.

33. **VEGETATION MODIFICATION.** When vegetation modification is approved to control or remove invasive plants and is authorized by chemical means, the modification will be in accordance with appropriate federal, state, and local laws, rules, and regulations.
34. **LAKE AND SHORELINE ACCESS PRIOR TO LAKE OPENING.** NTMWD will notify Lessee in writing when the Lake is officially open for use. Until NTMWD notifies Lessee, Lessee is not permitted to use the Lake for any purpose, including but not limited to, launching watercraft from the shoreline for recreational use.
35. **LAKE AND SHORELINE ACCESS AFTER LAKE OPENING.** After the Lake is open, all watercraft must be launched from a NTMWD-approved ramp or a dock. This excludes non-motorized watercraft such as kayaks, canoes, and stand up paddle boards. Unless otherwise approved, neither Lessee nor individual lot owner may build a boat ramp or use any of their property to launch a watercraft except as set forth herein.
36. **PROPERTY LINE AND SIDE YARD LINE DELINEATION.** For this Agreement, Lessee will delineate the boundary line between the NTMWD-owned property and Lessee's property in a visibly clear, but unobtrusive manner approved by NTMWD and in accordance with the SMP. Lessee will also identify the intersection of the projected side yard line and the 534 MSL as depicted in the exhibits to this Agreement.
37. **PROHIBITED ITEMS.** Treated landscape timbers or the storage, transfer or use of hydrocarbons or other petrochemical products, paint, pesticides, herbicides, or any other toxic or hazardous materials are not allowed on the Leased Property.
38. **ELECTRICAL SAFETY AND COMPLIANCE.** Lessee shall comply with all applicable federal, state, county, municipal laws, ordinances, and regulations wherein the permitted facilities/activities are located, including, but not limited to, the provisions of the latest edition of the National Electrical Code (NEC). Failure to abide by these applicable laws and regulations may be cause for revocation of this Agreement.
39. **POLLUTION PREVENTION.** Within the limits of their respective legal powers, the Parties hereto shall protect the Leased Property against pollution of its air, ground, and water. Lessee shall promptly comply with any laws, regulations, conditions, or instructions affecting the activity hereby authorized if and when issued by the Environmental Protection Agency ("EPA"), USACE, Texas Commission on Environmental Quality ("TCEQ"), or any federal, state, or local governmental agency having jurisdiction to abate or prevent pollution. The disposal of any toxic or hazardous materials within the Leased Property is strictly prohibited. Such regulations, conditions, or instructions in effect or prescribed by

the said EPA, USACE, TCEQ, or any federal, state, or local governmental agency are hereby made a condition of this Agreement. Lessee shall not discharge waste or effluent from the Leased Property in such a manner that the discharge will contaminate streams or other bodies of water or otherwise become a public nuisance.

40. **PESTICIDES AND HERBICIDES.** The use of any pesticides or herbicides within the Leased Property shall be in conformance with all applicable federal, state, and local laws and regulations. Lessee must obtain approval in writing from NTMWD before any pesticides or herbicides are applied to the Leased Property.
41. **ENVIRONMENTAL IMPACT.** Lessee will use all reasonable means available to protect the environment and natural resources, and where damage nonetheless occurs arising from Lessee's activities, Lessee shall be liable to restore the damaged resources.
42. **TIMBER CLEARING.** No timber within the Leased Property above the 534 MSL contour shall be cleared. Standing timber below the 534 MSL contour may be cleared only if approved through this Shoreline Lease and Use Agreement. Lessee shall provide documentation of coordination with USACE in accordance with the procedures described in the SMP. Such USACE coordination shall only occur after NTMWD has reviewed the timber clearing proposal and provided direction to engage in such coordination. Any timber clearing authorized under this Agreement must be in compliance with any required USACE approvals, authorizations, or permits. Timber clearing shall be approved by NTMWD in writing and shall be in accordance with the Clean Water Act Section 404 Permit for Bois d'Arc Lake as provided in the SMP. Timber clearing not approved by NTMWD in writing is prohibited.
43. **CULTURAL RESOURCES.** Lessee shall not remove or disturb, or cause or permit to be removed or disturbed, any historical, archaeological, architectural, or other cultural artifacts, relics, remains, or objects of antiquity on NTMWD-owned property. In the event such items are discovered on the NTMWD-owned property, Lessee shall immediately notify NTMWD and protect the site and material from further disturbance until NTMWD authorizes any further activity.
44. **TERMINATION OF AGREEMENT.** Because the cost of the Improvements was made with the expectation that Lessee would have the benefit of the Leased Property for the full term of this Agreement, Lessee may only be terminated if the matters noticed in **Exhibit X** under the Violations and Penalty Provisions of this Agreement have not been cured in accordance with such provisions.
45. **IMPROVEMENT REMOVAL.** On or before the expiration or termination of this Agreement or if Lessee ceases to use, operate, or maintain an Improvement and/or use, Lessee shall, without expense to NTMWD, remove said Improvements and restore the waterway and lands to the satisfaction of NTMWD within thirty (30) days. In the event Lessee shall fail to remove said Improvements and restore the Leased Property, NTMWD shall have the option to take over said Improvements without compensation, or to remove said Improvements and perform the restoration at the expense of Lessee, and Lessee shall

have no claim for damages against NTMWD or its officers or agents for such action and no refund by NTMWD of any fee theretofore paid shall be made. Lessee agrees that if subsequent operations by NTMWD require an alteration in the location of an Improvement and/or use and if in the opinion of NTMWD an Improvement and/or use shall cause unreasonable obstruction to NTMWD use of the land or water area where the Improvement or use is located, Lessee shall be required, upon written notice from NTMWD, to remove, alter, or relocate the Improvement without expense to NTMWD.

46. **OTHER PERMITS REQUIRED.** This Agreement is effective only insofar as the rights of NTMWD in the Leased Property and Easement are concerned, and Lessee shall obtain such permission as may be required on account of any other existing rights. It is understood that the granting of this Agreement does not eliminate the necessity of obtaining any other permit or license that may be required by federal, state, or local statute in connection with use of the Leased Property, including, but not limited to, any permits or authorization from USACE to ensure compliance with the Clean Water Act.
47. **SANITATION.** Lessee shall take all necessary action and provide all necessary Improvements to maintain the Leased Property in a clean and sanitary manner, removing promptly and regularly trash and garbage from the said area. Any materials and refuse from construction, maintenance and repair activities are to be removed from the Leased Property immediately upon completion of such activities.
48. **LICENSED PROFESSIONAL ENGINEER REQUIRED.** NTMWD may require that remedial measures other than minor repairs and maintenance, and plans for same, be reviewed, designed, and sealed by a Texas Licensed Professional Engineer and approved by NTMWD.
49. **FINAL PLAT MAPS.** In the event final plat maps were not provided by Developer to NTMWD prior to the Effective Date, Lessee shall be required to provide NTMWD with all final plat maps and specifications within thirty (30) days of such maps and specifications being finalized.
50. **SEVERABILITY.** In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof and this Agreement shall be considered as if such invalid, illegal, or unenforceable provision had never been contained in this Agreement.
51. **NO JOINT VENTURE.** It is acknowledged and agreed by the Parties that the terms hereof are not intended to and shall not be deemed to create any partnership or joint venture among the Parties. NTMWD, its past, present, and future officers, elected officials, employees and agents of NTMWD, do not assume any responsibilities or liabilities to any third party in connection with the improvements to, or use of, the Leased Property.
52. **REPRESENTATIONS AND WARRANTIES.** Each Party represents and warrants to the other Party that (i) the Party has full requisite power and authority to perform its obligations

under this Agreement; (ii) the execution, delivery, and performance of this Agreement has been duly authorized by all necessary action of the board of directors or other applicable governing body of the Party; (iii) this Agreement is a valid and binding obligation of the Party enforceable against the Party in accordance with its terms, except as the enforceability may be limited by applicable bankruptcy, insolvency or other law affecting creditors' rights generally, and by general equitable principles; and (iv) the execution, delivery, and performance of this Agreement by the Party does not, and will not: (A) violate the statute, charter, or other instrument pursuant to which the Party was created; (B) violate the Constitution of the State of Texas, or any other law, rule or regulation by which the Party is bound; (C) violate any judgment, writ, order, injunction, award, or decree of any court, arbitrator, administrative agency or other governmental authority which is binding upon the Party; or (D) result in a material breach, violation, or default under any indenture, mortgage, ordinance, bond resolution, contract, deed of trust, debenture, agreement, or other instrument to which the Party is a party.

53. **ENTIRE AGREEMENT – NO ORAL MODIFICATIONS.** This Agreement embodies the entire Agreement of the Parties, superseding all oral or written previous and contemporary agreements between the Parties relating to matters set forth in this Agreement. Except as otherwise provided elsewhere in this Agreement, this Agreement cannot be modified without a written agreement executed by both Parties.
54. **NO THIRD PARTY BENEFICIARIES.** Lessee and NTMWD enter into this Agreement solely for the benefit of themselves and agree that nothing in this Agreement shall be construed to confer any right, privilege or benefit on any person or entity other than Lessee and NTMWD.
55. **VENUE.** It is specifically agreed among the Parties to this Agreement that Fannin County, Texas, is the place of performance of this Agreement; and, in the event that any legal proceeding is brought to enforce this Agreement or any provision hereof, the same shall be brought in Fannin County, Texas.
56. **ADOPTION OF PREAMBLE AND EXHIBITS.** All of the statements in the preamble and all of the exhibits of this Agreement are true and correct and are hereby incorporated into the body of this Agreement as though fully set forth in their entirety herein.

SPECIAL CONDITIONS *(To be completed for each project)*

VIOLATIONS AND PENALTIES

1. Lessees will be held accountable to the conditions outlined herein. If a violation is identified, NTMWD will follow the steps outlined below:

First Notice: NTMWD will generally issue a written warning notifying Lessee of the violation, outlining actions to correct the violation, and providing a resolution timeframe. Depending on the non-compliance issue (e.g. is the issue an imminent health or safety concern), the time provided for resolution and the degree to which NTMWD may step in and proactively correct an issue may vary. Some violations may immediately generate a fine. NTMWD may, at its discretion, waive fines to be imposed at the first notice. NTMWD

will follow up within the specified timeframe to document resolution of the issue. Increased frequency of monitoring and inspection may be warranted for a period of time following resolution.

Second Notice: A second notice may involve the same activity or conditions as the first notice, or it may be a new issue. Second notices for the same situation that triggered the first notice will also be linked to increased fines and shorter resolution timeframes. Lessees will be required to reimburse NTMWD for costs associated with monitoring, inspection, and follow-up for second notice actions.

Third Notice: Three notices for the same or different instances of non-compliance with this Agreement within one year will trigger a notice to revoke or terminate this Agreement. Lessee will have thirty (30) days to remove Improvements at his or her expense and restore the Leased Property to its condition prior to the construction of the Improvements (if applicable). Lessee may appeal a notice of termination to NTMWD within fifteen (15) days of receiving the notice. NTMWD will respond to Lessee within thirty (30) days.

2. Resolution timeframes and fines are dependent on the harm that may occur to people, property, and resources if the violation were to continue. Violations that are hazardous, or potentially hazardous, generally have shorter resolution timeframes and higher penalties than administrative violations. **Exhibit X** outlines resolution timeframes, remedies, and penalties for various violations.

EFFECTIVE DATE AND TERM

This Agreement becomes effective on the date this Agreement is signed by both Parties (the “Effective Date”) and will be valid for five years after the date of the latest signature. This Agreement will expire on _____.

AUTHORIZATION

This Agreement authorizes the lease and use of NTMWD-owned property described herein. If Lessee implements a project that differs from the Project described herein, Lessee will be subject to penalties and fines, described in this Agreement, and potentially termination.

EXECUTION

The Parties hereto acting under authority of their respective governing bodies have caused this Agreement to be duly executed in several counterparts, each of which shall constitute an original.

[The remainder of this page is intentionally left blank. Signatures are on the following pages.]

LESSEE: **XXXXXXXXXX**

By: _____
INSERT NAME, TITLE Date _____

STATE OF TEXAS §
 §
COUNTY OF **INSERT** §

This instrument was acknowledged before me on this _____ day of _____, 202__,
by **INSERT NAME, TITLE of LESSEE**.

Notary Public, State of Texas
Printed Name of Notary:

My Commission Expires: _____

LESSEE: ASSOCIATION

By: _____
INSERT NAME, TITLE Date _____

STATE OF TEXAS §
 §
COUNTY OF **INSERT** §

This instrument was acknowledged before me on this _____ day of _____, 202__,
by **INSERT NAME, TITLE of LESSEE**.

Notary Public, State of Texas
Printed Name of Notary:

My Commission Expires: _____

NORTH TEXAS MUNICIPAL WATER DISTRICT

By: _____ Date _____
INSERT NAME, TITLE

STATE OF TEXAS §
 §
COUNTY OF COLLIN §

This instrument was acknowledged before me on this _____ day of _____, 202__, by **INSERT NAME, TITLE** of North Texas Municipal Water District, a conservation and reclamation district and political subdivision of the State of Texas, on behalf of said conservation and reclamation district.

Notary Public, State of Texas
Printed Name of Notary:

My Commission Expires:

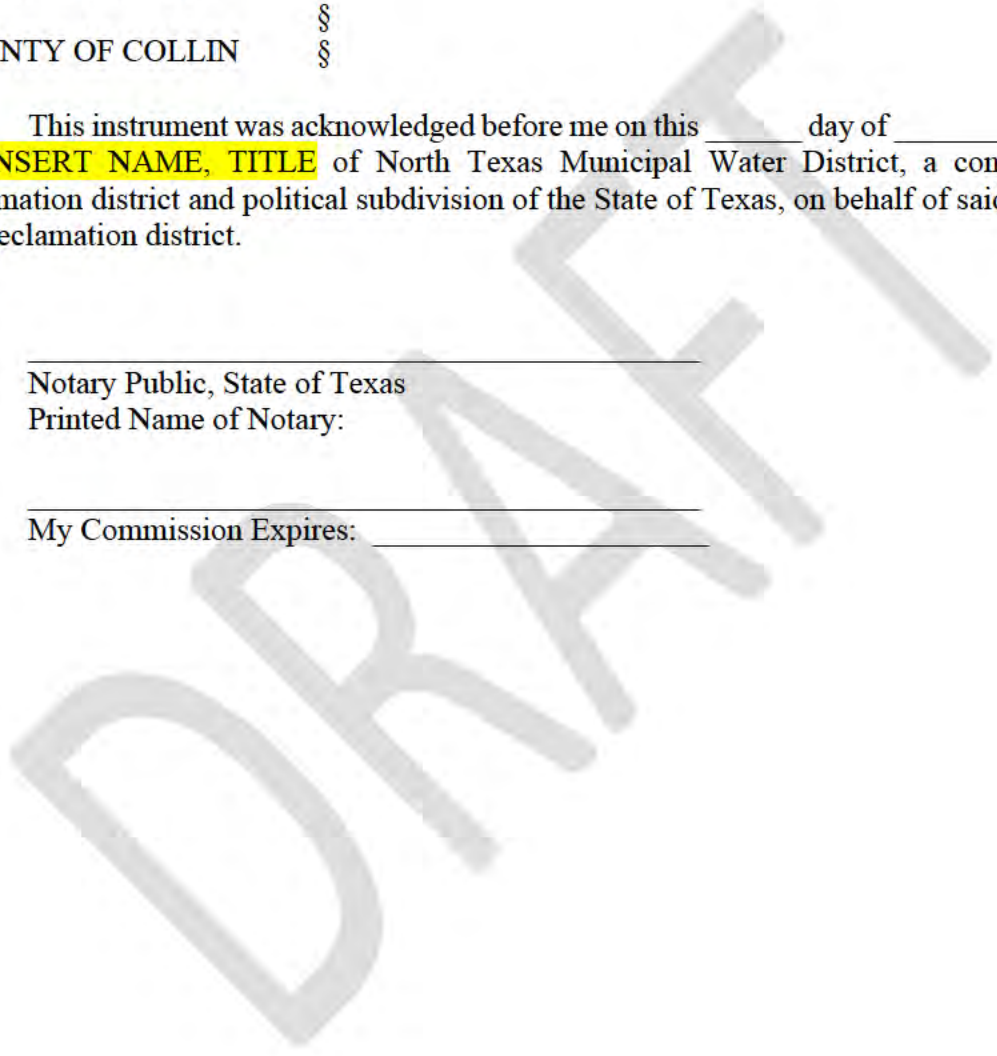


EXHIBIT C

Agreement Fees and Remedies and Penalties for Violations

DRAFT

Agreement Fee Schedule

Agreement Type	Activity/Facility	Application Fee (\$)	Annual Fee	Incentives/Additional Information
Preliminary Development Agreement	Community and Shared Dock/Overwater Structures	Application/ First Year: \$22,065	For years 2 through 5 of a 5-year agreement: \$6,500	<p>All shoreline use activities/facilities will be combined on one permit. Only the higher fee identified will be assessed.</p> <p>If erosion control or stormwater runoff treatment BMPs are provided supplementary to any required erosion control; an incentive reduction of 50 percent of the annual fee may be applied.</p>
Preliminary Development Agreement	Modification fee	25-100 percent of the original application fee	N/A	

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Remedies and Penalties for Violations

Violation ¹	Violation Category ²	Remedy ²	Resolution Timeframe (days) First Notice ²	Resolution Timeframe (days) Second Notice ²	Fine (\$) First Notice ²	Fine (\$) Second and Third Notices ²
Unauthorized burning	Major	Immediately stop unauthorized burning and remove debris from NTMWD-owned property	1	N/A	\$200	N/A
Storage or placement of fuel, oil, treated landscape timbers, pesticides, or other hazardous materials on docks or NTMWD-owned property	Major	Remove hazardous materials from NTMWD-owned property and store in secure location on private property	5	1	N/A	\$200
Unauthorized use of pesticides/fertilizers on leased property	Major	Stop unauthorized use of pesticides and report changes in water quality (e.g., algal blooms and/or dead fish) to NTMWD	1	N/A	\$200	N/A

Violation¹	Violation Category²	Remedy²	Resolution Timeframe (days) First Notice²	Resolution Timeframe (days) Second Notice²	Fine (\$) First Notice²	Fine (\$) Second and Third Notices²
Unauthorized placement or storage of personal property on NTMWD-owned property and/or water	Major	Remove personal property from NTMWD-owned property and store in a secure location on private property	5	1	N/A	\$200
Unauthorized use of private overwater facility (e.g., human habitation on boat dock, storing nonauthorized vessels or watercraft at an approved boat dock, subletting boat dock)	Major	Stop unauthorized use and restore facility to post-violation conditions (e.g., remove evidence of human habitation from boat dock)	15	3	200	\$200
Unauthorized dock structure or dock modification	Major	Stop construction (if applicable) and restore facility to pre-violation conditions	15	3	200	\$200
Unauthorized vegetation modification (e.g., removing vegetation outside of an authorized area, changing landform, planting unauthorized plants)	Major	Stop violation and restore to pre-violation conditions (e.g., replant with authorized native plant species)	30	5	200	\$200

Violation¹	Violation Category²	Remedy²	Resolution Timeframe (days) First Notice²	Resolution Timeframe (days) Second Notice²	Fine (\$) First Notice²	Fine (\$) Second and Third Notices²
Deviation from approved dock construction plans (e.g., construction materials, anchoring methods, etc.)	Major	Reconstruct dock to conform to approved construction plans	30	5	N/A	\$200
Unauthorized access path construction	Major	Stop construction and restore area to pre-violation conditions	15	5	200	\$200
Emerging erosion issues (signs may include shoreline recession, increased water turbidity and discoloration in the surrounding area, bare soil, exposed plant roots, and unstable banks)	Major	Stop erosion producing activity and install erosion control devices and/or plant native vegetation	30	5	200	\$200
Unauthorized use of a mobility assistance vehicle	Major	Stop unauthorized use, restore area to pre-violation conditions (if applicable)	15	3	N/A	\$200
Failure to delineate the NTMWD boundary line	Moderate	Delineate and mark the NTMWD boundary line using methods approved in the Shoreline Management Plan	15	10	N/A	\$200

Violation¹	Violation Category²	Remedy²	Resolution Timeframe (days) First Notice²	Resolution Timeframe (days) Second Notice²	Fine (\$) First Notice²	Fine (\$) Second and Third Notices²
Failure to restore the leased area after completion of a permitted activity or after the lessee damages the area	Moderate	Restore area to pre-lease conditions (e.g., restore vegetation, install erosion control measures such as water bars and vegetated swales)	30	15	N/A	\$85/day
Failure of POA or developer to apply for shoreline use agreement for existing uses within 30 days or to restore the use area within 60 days from the date of ownership transfer	Moderate	Apply for a new shoreline lease and use agreement or restore the use area	30	15	N/A	\$85/day
Failure to display agreement tags on authorized facilities	Minor	Display agreement tags according to agreement conditions and Shoreline Management Plan requirements	30	15	N/A	\$150/week
Failure to have a copy of the agreement with the mobility assistance vehicle during use on NTMWD-owned property	Minor	Carry agreement according to authorization conditions	1	1	N/A	\$150

Violation¹	Violation Category²	Remedy²	Resolution Timeframe (days) First Notice²	Resolution Timeframe (days) Second Notice²	Fine (\$) First Notice²	Fine (\$) Second and Third Notices²
Failure to pay agreement fees	Minor	Pay outstanding agreement fee	30	15	N/A	\$150/week
Failure to renew an agreement	Minor	Apply for a new agreement and pay associated application fees	30	15	N/A	\$150/week
Failure to complete construction within allowed time limit	Minor	Apply for new agreement and pay associated application fees	30	15	N/A	\$150/week
Noncompliance with applicable laws, ordinances, and regulations	NA	NTMWD reports violations to the appropriate authority for enforcement	Depends on law/regulation	Depends on law/regulation	Depends on law/regulation	Depends on law/regulation

¹Penalties may be assessed individually for discrete facilities and occurrences

²NTMWD = North Texas Municipal Water District; N/A = not applicable; SMP = Shoreline Management Plan