

CONTRACT

AGREEMENT made and entered into this the 15th day of January, 1988, by and between BRAZOS RIVER AUTHORITY ("Authority") and SPORTSMAN'S WORLD PROPERTY OWNERS' ASSOCIATION, INC. ("Association").

1. RECITALS. Authority owns and operates Possum Kingdom Lake ("Lake") in Palo Pinto, Young and Stephens Counties, Texas. Association is a non-profit corporation incorporated under the laws of the State of Texas. Its members are those persons who own land located in Sportsman World, Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, and 13 Subdivisions of Palo Pinto County, Texas, described in the Plat Records recorded in Volume 5, Pages 21, 22, 23, 27, 28, 29 and 30 and Volume 6, Pages 8, 9, 11, 15 and 16 of the Map Records of Palo Pinto County, Texas ("Addition"). Certain lots located in Addition adjoin Lake. By virtue of the provisions of a document entitled "Declaration of Covenants, Conditions and Restrictions For Sportsman's World, Sections 1 and 2" dated April 18, 1979, and recorded in Volume 530, Page 296 of the Deed Records of Palo Pinto County, Texas, which Declaration has heretofore been amended and supplemented by documents recorded in Volume 535, Page 234, Volume 547, Page 815, Volume 556, Page 295, Volume 671, Pages 149, 156, 159 and 163 and Volume 681, Page 648 (which Declaration as thus amended and supplemented

is hereafter called "Declaration"), Landar Corporation, then owner of Addition, imposed certain restrictions on use of land located in Addition and provided that Declaration might be amended in whole or in part by instrument executed by the President of Association when approved by members entitled to cast not less than 3/4ths of the aggregate of votes of both classes of the membership of Association if the amendment should occur within twenty (20) years after the date of the Declaration. Authority is concerned with the preservation and protection of the natural beauty of Lake. In this connection, it has adopted "Guidelines For Permitting On-Lake Facilities Adjoining Undeveloped Areas At Possum Kingdom Lake" ("Guidelines") prepared by Proctor Bowers and Associates and delivered in November of 1979, as a plan for restriction against the placing of piers, boathouses, marinas and other facilities on Lake in certain areas where the preservation of Lake and shoreline in its natural condition is considered to be aesthetically desirable. The lots in Addition described on Exhibits "A" and "B", attached hereto, are located in an area where the location of such facilities is prohibited under Guidelines, with the area where such lots abut Lake being classified as "Category A" - "No on-lake facilities permitted" - under Guidelines. The lots described on Exhibit "A" are located at the top of a bluff which falls off to Lake.

Authority considers it desirable from the standpoint of the scenic beauty of lake that the construction of stairs, ladders, elevators, lifts or waterlines between the top of the bluff and surface of Lake be prohibited on said lots. Because such lots are not owned by the Authority, but rather are owned by the developer of Addition or persons who have bought lots from the developer or others, Authority is without power to prohibit the construction of such facilities. On certain other lots, Association considers it desirable that the owners of the lots be allowed to construct facilities on Lake which are prohibited within areas classified Category A under Guidelines. The purpose of this Contract is to provide that boat docks, piers or slips may be located on Lake adjacent to the lots described on Exhibit "B", subject to the restrictions and conditions set forth in Exhibit "C", attached hereto and that the construction of stairs, ladders, steps, elevators, lifts and waterlines extending from the surface of Lake to the top of the bluff or between the surface of Lake and the top of the bluff on the lots described on Exhibit "A", shall be prohibited.

2. AGREEMENT OF AUTHORITY. Authority agrees that it will:

(a) Amend Guidelines to provide for reclassification of the areas adjacent to the lots described on Exhibit "B" from Category A to Category D - "Individual

boathouse and/or pier (dock) only permitted"; and

(b) Accept and consider applications for the location of facilities for private use on Lake adjacent to the lots described on Exhibit "B", in accordance with the provisions of Section 5.a(1) of "Regulations For Possum Kingdom Lake" on the basis of treatment of the areas adjacent to the lots described on Exhibit "B" as being properties classified as "Category D" properties under Guidelines, provided that no such application will be granted unless the proposed facilities are in complete compliance with the restrictions set forth on Exhibit "C".

3. AGREEMENTS OF ASSOCIATION. Association shall:

(a) Amend Declaration to impose the restrictions set forth on Exhibit "D", attached hereto, upon the lots described on Exhibit "A".

(b) Amend Declaration to impose the restrictions set forth on Exhibit "C" attached hereto upon the lots described on Exhibit "B";

(c) Amend Declaration to provide that the restrictions to be imposed per Subparagraphs (a) and (b), above, may not be rescinded or amended without a unanimous vote of the owners of all of the lots located in Addition.

(d) Furnish to Authority an opinion of counsel for Association satisfactory to Authority to the effect that the

aforesaid amendments have been duly and regularly adopted and that upon ratification of same by Authority as provided in Section 5, below, same will be permanently binding (subject to amendment by unanimous vote as provided in subparagraph (c) above) on the owners of the lots described on Exhibits "A" and "B", attached hereto.

4. OBLIGATIONS CONDITIONAL. The obligations of each party to the other provided hereunder are conditional upon performance by the other party of its obligations hereunder.

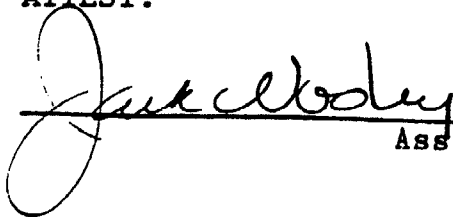
5. NECESSITY FOR RATIFICATION. This Contract has been executed on behalf of Authority by its General Manager pursuant to authority granted to him by the Lake Management Committee of the Board of Directors of Authority. In order for it to be binding upon the Authority, this Contract must be ratified by Authority's Board of Directors. Should the Authority's Board of Directors fail to ratify this Contract at its regular meeting in January, 1988, this Contract shall be null and void and the obligation of each party to the other hereunder shall be cancelled.

BRAZOS RIVER AUTHORITY

By

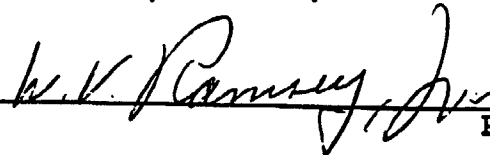

Carson H. Hoge, General Manager

ATTEST:



Asst. Secretary

"Authority"

SPORTSMAN'S WORLD PROPERTY OWNERS'
ASSOCIATION, INC.

BY 
President

ATTEST:


Secretary

"Association"

(BRA/Sport)

EXHIBIT A

TO

AGREEMENT MADE BETWEEN BRAZOS RIVER AUTHORITY ("AUTHORITY")
AND SPORTSMAN'S WORLD PROPERTY OWNERS ASSOCIATION, INC.

List of lots subject to the restrictions and conditions set forth in Exhibit C on which the construction of stairs, ladders, steps, elevators, lifts and water lines extending from the surface of lake to top of the bluff or between the surface of the lake and the top of the bluff shall be prohibited.

Section 2. South portion of Lot 13, beginning at a point located 50.0 feet, more or less from the northwest corner of Lot 13 and extending to the southwest corner of Lot 21.

Section 6. South portion of Lot 19, beginning at the northernmost corner of Lot 19 and extending southerly to the westernmost corner of Lot 26.

Section 13. Lots 1, 2 and 5, Block 2.

EXHIBIT A

EXHIBIT B
TO
AGREEMENT MADE BETWEEN BRAZOS RIVER AUTHORITY ("AUTHORITY")
AND SPORTSMAN'S WORLD PROPERTY OWNERS ASSOCIATION

List of lots adjacent to which boat docks, piers or slips may be located on lake subject to the restrictions and conditions set forth in Exhibit C.

Section 2. Lots 9 through 12, tract 13 (see note 1), lots 22, 23, and tract 25, block 1

Section 3. Lots 25 through 30, block 1

Section 4. Lots 1 through 14, block 1

Section 6. Tract 2, lots 5, and 7 through 19 (see note 2) block 1

Section 7. Tract 7, lots 12 through 27, block 1

Section 8. Tract 4, lots 6 through 21, tract 6, block 1

Note 1 - Tract 13 is a replat of lots 13, 14, 15 and 16. A facility will only be permitted on the north 50 feet of tract 13.

Note 2 - A facility will only be permitted on the east 50 feet of lot 19.

EXHIBIT "C"

(i) No boat dock, pier, ramp, slip or related structure or facility (all such structures or facilities being collectively referred to herein as "boat dock facilities") shall be constructed on any Lot, tract or parcel in the Properties abutting Possum Kingdom Lake, or within Possum Kingdom Lake, unless the plans and specifications therefor have been approved by all governmental authorities having jurisdiction with respect thereto (including the Brazos River Authority) and by the Architectural Control Committee. Any boat dock facilities proposed for construction on any Lot, tract or parcel in the Properties abutting Possum Kingdom Lake, or within Possum Kingdom Lake, also shall be subject to each and all of the following restrictions and regulations:

(1.) No boat dock facilities shall be constructed on any Lot, tract or parcel in the Properties abutting Possum Kingdom Lake, or within Possum Kingdom Lake, except in connection with the concurrent construction on such Lot, tract or parcel of a single-family or multi-family residential structure, the plans and specifications for which are submitted to the Architectural Control Committee for review and approval in accordance with the applicable provisions of this Declaration concurrently with the plans and specifications for such boat dock facilities, or to service the existing single-family or multi-family residential structure, the plans and specifications for which were previously approved by the Architectural Control Committee.

(3.) Any boat dock facilities as may be approved by the Architectural Control Committee for the Lots, tracts or parcels in the Properties abutting Possum Kingdom Lake (and not listed on Exhibit "A" to the Third Amendment), or within Possum Kingdom Lake, shall be subject to restrictions as to type, size and location as follows:

(i) For Lots, tracts or parcels with a lakeshore frontage of seventy-five (75) feet or more: boat dock facilities will be limited to a boat dock, pier or slip which will not extend further than thirty (30) feet into Possum Kingdom Lake from the shoreline (as it may fluctuate with fluctuating lake levels) and which will not be more than thirty (30) feet in width nor one-third ($1/3$) of the lakefront width of the Lot, tract or parcel, whichever is less. Such boat dock facilities may include an elevated horizontal sun deck not exceeding the dimensions of the boat dock facilities, with the space

below the sun deck being kept entirely open and clear except for columns or other structural members as may be necessary to support the sun deck and except for ladders as may be necessary to provide access to the sun deck.

(ii) For Lots, tracts or parcels with a lakeshore frontage of eighteen (18) feet to seventy-five (75) feet in width: boat dock facilities will be limited to a pier which will not extend further than twenty (20) feet into Possum Kingdom Lake from the shoreline (as it may fluctuate with fluctuating lake levels) and which will not be more than six (6) feet in width.

The above standards are subject to the limitations, set forth in the Possum Kingdom Lake Regulations, that no boat dock facilities may extend further into Possum Kingdom Lake from the shoreline than one-third ($1/3$) of the distance between opposite shorelines, and in narrow sections of Possum Kingdom Lake where the distance between opposite shorelines is one hundred twenty (120) feet or less, a clear channel at least forty (40) feet in width shall be maintained between the facilities on opposite shorelines, with the location of such channel being as nearly as practicable over the deepest portion of that section of Possum Kingdom Lake.

(4.) Permits must be obtained from the Brazos River Authority before construction of any boat dock facilities is initiated. Approval of any proposed boat dock facilities by the Architectural Control Committee does not constitute nor guarantee approval of such boat dock facilities by the Brazos River Authority.

(5.) All boat dock facilities permitted hereunder will be of similar design or construction. No walls or gabled roofs will be allowed. Only materials and finishes which blend with the natural beauty of the area will be approved by the Architectural Control Committee.

(6.) Buoyancy for all floating boat dock facilities shall be provided by styrofoam or similar flotation materials. Barrels, drums, or other improvised flotation equipment may not be used unless filled with satisfactory flotation material.

(7.) No living quarters, kitchens or toilet facilities,

EXHIBIT "C" (PAGE 2 OF 3)

gabled roofs or walls will be allowed in or on any boat dock facilities permitted on Possum Kingdom Lake. Decks of all boat dock facilities must be entirely clear.

(8.) Responsibility for safety and structural soundness of permitted boat dock facilities shall rest entirely with the Owner. The Brazos River Authority will revoke the permit for any boat dock facilities not properly maintained or not meeting the requirements of the Brazos River Authority's rules and regulations.

(9.) All dock facilities must be located and maintained so as not to obstruct access to Possum Kingdom Lake from adjoining properties.

EXHIBIT "C" (PAGE 3 OF 3)

(Sport.C)

EXHIBIT "D"

(2.) No boat dock facilities shall be constructed on those Lots, tracts or parcels in the Properties specifically listed on Exhibit "A" to the third Amendment to the Declaration or within Possum Kingdom Lake to service those Lots, tracts or parcels listed on said Exhibit "A". Construction of boat dock facilities on those Lots, tracts or parcels in the Properties listed on Exhibit "A" to the Third Amendment, or within Possum Kingdom Lake to service such Lots, tracts or parcels, is prohibited either because (i) contracts between the Association (or the Declarant) and the Brazos River Authority prohibit the construction of any boat dock facilities on such Lots, tracts or parcels in order to comply with guidelines adopted by the Brazos River Authority to protect and preserve the scenic beauty of Possum Kingdom Lake and/or to insure safe navigation and utilization of Possum Kingdom Lake, or (ii) such Lots, tracts or parcels have a sheer or steep cliff face or shoreline abutting Possum Kingdom Lake, the slope of which is perpendicular or so severe as to require the construct and/or installation of a staircase, ladder or elevator/lift device in order to provide access to and from any boat dock facilities constructed within Possum Kingdom Lake for such Lot, tract or parcel. The restriction set forth in subparagraph (ii) preceding is based upon the determination by the Board of Trustees of the Association and the Architectural Control Committee that the construction, erection or installation of any such staircase, ladder or elevator/lift devices would be detrimental to the uniform plan for the development, improvement and preservation of the Properties because such staircase, ladder and elevator/lift devices are inherently unattractive and would not blend with the natural beauty of the cliff face shoreline of the Properties (and consequently the construction, erection or installation of such devices will adversely affect property values), and such devices are inherently dangerous, the same constituting "attractive nuisances" likely to attract children, and thus the construction, erection, installation and maintenance of such devices within the Properties would constitute a hazard to the health, safety and welfare of the residents of the Properties and their guests. Additionally, with respect to those Lots, tracts and parcels in the Properties specifically listed on Exhibit "A" to the Third Amendment, no such staircase, ladder or elevator/lift devices shall be constructed, erected, installed or placed for any purpose or use within forty (40) feet horizontally of the one thousand (1,000) foot contour (i.e., the topographic contour located along a line running at elevation 1,000 feet above mean sea level).

EXHIBIT "D"