

**SECOND AMENDMENT TO DECLARATION OF COVENANTS,
CONDITIONS, AND RESTRICTIONS
FOR
EAGLE'S BLUFF**

This Second Amendment to DECLARATION OF COVENANTS, CONDITIONS & RESTRICTIONS FOR EAGLE'S BLUFF ("Declaration") is made on the date hereinafter set forth by the Board of Directors for Eagle's Bluff Community Association, Inc. ("Association").

WHEREAS, Association filed a First Amended Declaration of Covenants, Conditions and Restrictions for Eagle's Bluff Community Association, Inc., Cherokee County, Texas, on August 14, 2014, and it was recorded as Document Number 00637130; and

WHEREAS, Association desires to further amend the Declaration.

NOW THEREFORE, the Declaration is hereby amended accordingly:

1. Article 1.13 of the Declaration is hereby deleted in its entirety and replaced with the following:

1.13. "Declarant": Eagle's Bluff Club LLC, a Texas Limited Liability Company, successor to Lake Palestine Associates, L.P., a Texas limited liability company, or any successor, successor-in-title, or assign who takes title to any portion of the property described on Exhibit "A" for the purpose of development and/or sale and who is designated as the Declarant in a recorded instrument executed by the immediately preceding Declarant, provided there shall be only one Declarant at any time.

2. Article 10.2 of the Declaration is hereby deleted in its entirety and replaced with the following:

10.2. Declarant's Obligation for Assessments. During the Class "B" Control Period, Declarant may annually elect either to pay regular assessments on all of its unsold Units, notwithstanding the commencement date for assessments set forth in Section 10.9, or to pay the difference between the amount of assessments collected on all other Units subject to assessment and the amount of actual expenditures by the Association during the fiscal year. The Declarant's obligations hereunder may be satisfied in the form of cash or by "in kind" contributions of services or materials, or by a combination of these. To the extent that Declarant contributes payments beyond that which would be required if Declarant elected to pay regular assessments, such amounts shall be treated as a loan to the Association. The terms of such loan shall include interest at the rate of the Wall Street Journal Prime Rate per annum, and payment in full shall be due upon demand at any time after one year following the termination of the Class "B" Control Period. After termination of the Class "B" Control Period, the Declarant shall pay assessments on its unsold Units in the same manner as any other Owner, unless otherwise stated in Section 10.3, Section 10.6 and Section 10.7.

3. Article 10.3 of the Declaration is hereby deleted in its entirety and replaced with the following:

10.3. Computation of Base Assessment. At least thirty (30) days before the beginning of each fiscal year, the Board shall prepare a budget covering the estimated Common Expenses during the coming year, including a capital contribution to establish a reserve fund in accordance with a budget separately prepared as provided in Section 10.5.

The Base Assessment shall be levied equally against all Units, except for those Units owned by the Declarant or by a Builder. Commencing Jan 1, 2016 and ending Dec 31, 2017, the Declarant will pay no Base Assessment on their unsold residential lots. Beginning Jan 1, 2018, the Base Assessment levied against residential units listed on the Master Plat in Exhibit A owned by the Declarant in a given year shall be determined by the deficit, if any, of the number of those lots sold during the prior year and eight (8) lots. If no deficit exists, then no Declarant assessments are due. The first assessment to be paid will begin Jan 1, 2018, however this initial assessment will be based on lots sold in 2016 & 2017. The assessment due on 1/1/2019, if still applicable, will be based on lots sold during the entire year of 2018. Each subsequent year will follow this latter pattern of deficit assessments until the Declarant has cumulatively sold 25 residential lots since Jan 1, 2016, at which time forward the Declarant will be exempt from paying Base Assessments on its remaining residential lots listed on the Master Plat in Exhibit A.

Commencing as described in Section 10.9, for a period of one (1) year, Units owned by Builders shall be assessed at one-fourth (1/4) of the Base Assessment rate levied on Units not owned by Builders. Following the expiration of said one (1) year period, Units owned by Builders shall be assessed at the full Base Assessment rate established for all other Units. The number of Units owned by a Builder on a parcel of vacant land or land on which improvements are under construction shall be determined by the maximum allowable density of Units designated for such parcel on the recorded agreed plat of the Association, until such time as a subdivision plat is filed for the parcel. After a subdivision plat is filed for the parcel, the number of Units owned by the Builder shall be based upon such recorded agreed plat.

The Base Assessment shall be set at a level which is reasonably expected to produce total income for the Association equal to the total budgeted Common Expenses, including reserves. In determining the level of assessments, the Board, in its discretion, may consider other sources of funds available to the Association. In addition, the Board shall take into account the number of Units subject to assessment under Section 10.9 on the first (1st) day of the fiscal year for which the budget is prepared and the number of Units reasonably anticipated to become subject to assessment during the fiscal year.

So long as the Declarant has the right unilaterally to annex additional property pursuant to Article IX, the Declarant may, but shall not be obligated to, reduce the Base Assessment for any fiscal year by payment of a subsidy, in addition to any amounts paid by Declarant under Section 10.2, which may be either a contribution, an advance against future assessments due from the Declarant, or a loan, in the Declarant's discretion. Any such subsidy shall be conspicuously disclosed as a line item in the Common Expense budget and shall be made known

to the membership. The payment of such subsidy in any year shall under no circumstances obligate the Declarant to continue payment of such subsidy in future years, unless otherwise provided in a written agreement between the Association and the Declarant.

The Board shall send a copy of the budget and notice of the amount of the Base Assessment for the following year to be delivered to each Owner prior to the beginning of the fiscal year for which it is to be effective. Such budget and assessment shall become effective unless disapproved at a meeting by Owners representing at least 67% of the total Class "A" votes in the Association and by the Class "B" Member, if such exists. There shall be no obligation to call a meeting for the purpose of considering the budget except on petition of the Owners as provided for special meetings in the Bylaws, which petition must be presented to the Board within ten (10) days after delivery of the notice of assessments.

If the proposed budget is disapproved or the Board fails for any reason to determine the budget for any year, then until such time as a budget is determined, the budget in effect for the immediately preceding year shall continue for the current year.

4. Article 10.6 of the Declaration is hereby deleted in its entirety and replaced with the following:

10.6. Special Assessments. In addition to other authorized assessments, the Association may levy Special Assessments from time to time to cover unbudgeted expenses or expenses in excess of those budgeted. Such Special Assessment shall be levied against the entire membership, and upon all units shown on the recorded agreed plat of the Association. However, as long as the Declarant owns more than eight (8) lots eligible for assessment, the levied amount of the Special Assessment against each Unit owned by the Declarant will be 25% of the levied amount against each non-Declarant Unit. Except as otherwise specifically provided in this Declaration, any Special Assessment shall require the affirmative vote or written consent of Owners representing at least 51% of the total votes allocated to Units which will be subject to such Special Assessment, and the affirmative vote or written consent of the Class "B" Member, if such exists. Special Assessments shall be payable in such manner and at such times as determined by the Board.

5. Article 10.7 of the Declaration is hereby deleted in its entirety and replaced with the following:

10.7. Specific Assessments. The Board shall have the power to specifically assess expenses of the Association against Units (a) receiving benefits, items, or services not provided to all Units within the Properties that are incurred upon request of the Owner of a Unit for specific items or services relating to the Unit, (b) that are incurred as a consequence of the conduct of less than all Owners, their licensees, invitees, or guests, or (c) that are expressly permitted by the terms of the Declaration. The Association may also levy a Specific Assessment against any Unit to reimburse the Association for costs incurred in bringing the Unit into compliance with the provisions of the Declaration, any applicable Supplemental Declaration, other covenants, the Articles, the Bylaws, and rules, provided the Board gives prior notice to the Unit Owner and an opportunity for a hearing. For unsold lots owned by the Declarant to be

affected by a Specific Assessment, the EBCA and Declarant shall negotiate the assessment rate.

6. Article 11.2 of the Declaration is hereby deleted in its entirety and replaced with the following:

11.2. Architectural Review. Responsibility for administration of the Design Guidelines, as defined below, and review of all applications construction and modifications under this Article shall be handled by the committees as described in subsections (a) and (b) below. The members of committees need not be Members of the Association or representatives of Members, and may, but need not, include architects, engineers or similar professionals, whose compensation, if any, shall be established from time to time by the Declarant or the Board. The Board of Directors, New Construction Committee, or Modifications Committee acting with authority to approve and enforce the Design Guidelines, may establish and charge a reasonable fee for review of applications hereunder and may require such fees to be paid in full prior to review. All submittals for new home construction will be accompanied with a Road Fee payable to the Association for deposit into the Reserve Fund. All submittals for existing home modification will be evaluated by the MCC to determine if a Road Fee applies, and if so, it will be payable to the Association for deposit into the Reserve Fund before home modification can begin.

(a) New Construction Committee. The New Construction Committee ("NCC") shall consist of at least three (3), but not more than five (5), persons and shall have exclusive jurisdiction over all original construction on any portion of the Properties. Until 100% of the Properties have been developed and conveyed to Owners other than Builders, the Declarant retains the right to appoint all members of the NCC, who shall be responsible to the Board of Directors and the Declarant and shall serve as the Association's agents at the discretion of the Board of Directors and the Declarant. There shall be no surrender or assignment of the right of the Declarant to appoint the members of the NCC prior to that time except in a written instrument in recordable form executed by Declarant. Upon the expiration of such right, the NCC shall become the province of the Association and the Board may, at its option, appoint the members of the NCC, who shall thereafter serve and may be removed in the Board's discretion. Declarant may utilize the NCC to administer design review restrictions imposed by Declarant upon those Persons who have been designated by it as being exempt from the requirements of this Article.

(b) Modifications Committee. The Board of Directors may establish a Modifications Committee ("MC") to consist of at least three (3) and no more than five (5) persons, all of whom shall be appointed by and shall serve at the discretion of the Board. The MC, if established, shall have exclusive jurisdiction over modifications, additions, or alterations made on or to existing structures on Units or containing Units and the adjacent open space.

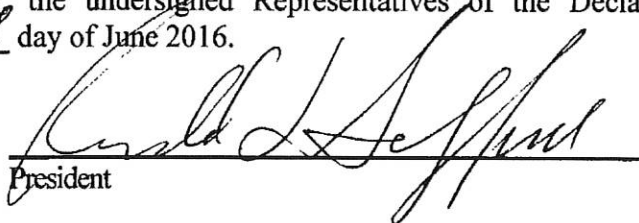
All other terms and conditions and Exhibits shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned Representatives of the Declarant has executed this Declaration this 23rd day of June 2016.

Date

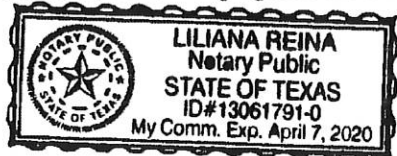
6-23-16

President



STATE OF TEXAS §
COUNTY OF SMITH §

BEFORE ME, the undersigned authority, on the 23 day of June, 2016
personally appeared, Martin L. Agnew, to me known to be the
Secretary of Eagle's Bluff Community Association, Inc., and he/she acknowledged before
me the he/she executed the same for the purposes therein expressed.



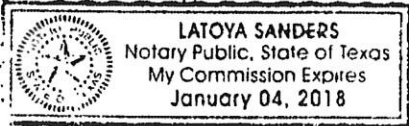
Liliana Reina
Notary Public, State of Texas
My Commission

Expires: 4-7-20

23 June 2016 Martin Luther Agnew Jr.
Date Secretary

STATE OF TEXAS §
COUNTY OF SMITH §

BEFORE ME, the undersigned authority, on the 21st day of June, 2016
personally appeared, Donald Jefferson, to me known to be the
President of Board of Directors for Eagle's Bluff Community Association, Inc., and
he/she acknowledged before me the he/she executed the same for the purposes therein expressed.



L Sanders
Notary Public, State of Texas
My Commission

Expires: 1/4/18

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OR 2329 153

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Cherokee County

On: Jun 30, 2016 at 09:54A

As a
Recordings

Document Number: 00653510

By,
Rocio Helm,
Deputy

STATE OF TEXAS COUNTY OF CHEROKEE

I hereby certify that this instrument
was filed on the date and time stamped
hereon by me and was duly recorded in
the volume and page of the named
records of:

Cherokee County
as stamped hereon by me.

Jun 30, 2016

HONORABLE Laverne Lusk, COUNTY CLERK
Cherokee County