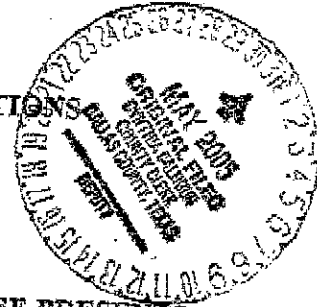


AMENDMENT TO DECLARATION
OF
COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR
THE WATERVIEW COMMUNITY
[MAY, 2005]



STATE OF TEXAS §

COUNTY OF DALLAS §

KNOW ALL MEN BY THESE PRESENTS:

This AMENDMENT TO THE DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR THE WATERVIEW COMMUNITY ("Amendment") is made as of the May 25, 2005.

WITNESSETH:

WHEREAS, Snapdragon Properties Associates, L.P., a Delaware limited partnership (the "Declarant") recorded that certain Declaration of Covenants, Conditions, and Restrictions for The WaterView Community on July 7, 1998, in Volume 98131, Page 453, Real Property Records of Dallas County, Texas, which instrument has been amended and supplemented by the instruments recorded on March 9, 1999, in Volume 99046, Page 1866; on November 15, 2000, in Volume 2000 223, Page 718; on August 10, 2001, in Volume 2001 156, Page 10255; on July 10, 2003, in Volume 2003 133, Page 3389; on July 10, 2003, in Volume 2003 133, Page 3395; on November 16, 2004, in Volume 2004 222, Page 204; and on November 16, 2004, in Volume 2004 222, Page 212 (the "Declaration"); and

WHEREAS, The WaterView Community (hereinafter so-called or called "WaterView") is governed by the WaterView Community Association, Inc. (the "Association"), a Texas nonprofit corporation, pursuant to the Bylaws of the Association recorded as Exhibit "C" of the Declaration; and

WHEREAS, pursuant to Section 18.1 of the Declaration, during the Class "B" Declarant Control Period, Declarant may unilaterally amend the Declaration for any purpose, provided the amendment does not adversely affect the title of any Lot; and

WHEREAS, the Class "B" membership has not been terminated as of the date of this Amendment; and

WHEREAS, all Lots in the phases of WaterView that were owned and platted by the Parcel Builders have been sold, and no Builder in WaterView has the status of Parcel Builder on the date of this Amendment.

NOW, THEREFORE, the Declaration is hereby amended as follows:

1. Voting. Voting by all Members shall be governed by Section 6.3(a) and (b) of the Declaration. The following sections of the Declaration are hereby deleted and/or amended as indicated. All references to the deleted sections are likewise deleted.

a. Section 2.33 defining "Voting Member" is deleted. In each instance where the term "Voting Member" is used in the Declaration the term shall refer to, and mean, Class A Member. Each Class "A" Member of the Association shall have the vote specified in Section 6.3(a).

b. Section 6.3(c) relating to Voting Members voting for Class A Members is deleted.

c. Section 6.4 relating to Neighborhoods and Voting Members is hereby deleted.

d. The 2004 Voting Amendment dated November 12, 2004, and recorded November 16, 2004, in Volume 2004 222, Page 212, Real Property Records of Dallas County, Texas, deleting Section 6.4 and adding Section 6.6 redefining and describing the selection and service of Voting Members is hereby deleted.

2. Association Management. The Association shall not have Neighborhoods or sub-associations. The Association will maintain all Common Areas and, subject to the provisions of the Broadmoor Estates Neighborhood Supplemental defined below, will have one budget and collect assessments to cover Association expenses. To the extent that any provision in the Declaration, including without limitation, Sections 2.10, 2.15, 2.22, 2.23, 2.24, 2.25, 5.3, closing sentence of 5.4, and 7.8, are in conflict with the terms of this Amendment, such provisions are hereby deleted. The WaterView Community will operate as one integrated association without "Neighborhoods", "Neighborhood Associations", "Neighborhood Expenses", "Neighborhood Assessments", and similar references.

3. Broadmoor Estates Neighborhood Supplemental. Nothing in this amendment shall change or affect the operation of existing provisions relating to the Broadmoor Estates which is a 3-phase area within The WaterView Community. In addition to being subject to the Declaration, Broadmoor Estates is subject to the Supplemental Declaration of Covenants, Conditions, and Restrictions for The WaterView Community - Broadmoor Estates Neighborhood, recorded November 15, 2000, in Volume 2000 223, Page 718, Real Property Records, Dallas County, Texas, as amended and supplemented by instruments recorded on August 10, 2001, in Volume 2001 156, Page 10255, on July 10, 2003, in Volume 2003 133, Page 3389, and on November 16, 2004, in Volume 2004 222, Page 208 (collectively the "Broadmoor Estates Neighborhood Supplemental").

4. Exclusive Common Area. Reference in Article XII and elsewhere in the Declaration to "Exclusive Common Areas" shall refer only to Broadmoor Estates and shall be subject to and governed by the Broadmoor Estates Neighborhood Supplemental.

5. Advisory Committee. In order to insure uniform representation across The WaterView Community and to aid in making information available to the Board in the exercise of its duties in managing the community, the Board shall designate areas within The WaterView Community and appoint a representative from each such area to serve on an Advisory Committee. The purpose of the Advisory Committee will be to inform and advise the Board as to matters, problems, needs, and requests applicable to each committee member's area. The members of the Advisory Committee will have no vote on matters before the Board. The Advisory Committee is described in greater detail in Section 5.3 of the Bylaws.

6. Miscellaneous Revisions.

- a. Section 3.2(d) is deleted.
- b. The last sentence of Section 3.3 is supplemented to read as follows: "Copies of the current Use Restrictions may be obtained from the Association or via the official WaterView Community website."
- c. Section 3.4(e) is supplemented with the provision: "Nothing herein shall prevent the assessment of a Conveyance Fee or the assessment of a reasonable charge for a Resale Certificate."
- d. The first two sentences of Section 4.4 are hereby deleted and replaced with the following provision: "Plans for each proposed Work shall be submitted and approved prior to commencement of the Work."
- e. The first two paragraphs of Section 4.9 are amended to read:

"Any Work performed in violation of this Article or the Design Guidelines shall be deemed nonconforming. Upon written request from the ARC, the Board, or the Board's duly authorized designee including the manager or attorney for the Association (the "Designee"), the Owner of the nonconforming Work shall, at his or her own cost, cure such nonconforming condition or remove the structure or improvement and restore the property to substantially the same condition as existed prior to the performance of the nonconforming Work.

Should an Owner fail to cure or remove and restore the nonconforming Work as required, the Association, or the Designee shall have the right to enter the property, remove the violation, and restore the property to substantially the same condition as existed prior to the performance of the nonconforming Work or, in the alternative and at the Owner's cost, cause the Work to comply with Design Guidelines. Nothing herein will be deemed to require the Association to do so and the Association may normally choose to enforce compliance by injunctive relief from a court of competent jurisdiction or use other remedies available at law or in equity if efforts to cause the Owner to comply with the restrictions fail."

f. Section 6.2 is supplemented to provide that [i] tenants of Owners will have no vote unless the Owner gives such tenant a proxy; [ii] tenants, as residents, will be required to comply with the covenants of the Declaration and rules promulgated thereunder; and [iii] Owners may exercise their vote in person or by proxy as more fully provided in the Bylaws.

g. The last sentence of Section 7.2(c) is deleted and replaced with the following: "The Association shall not be liable for any damage or injury occurring on, or arising out of the condition of property which it does not own."

h. So much of Section 8.1 as currently reads:

"If the proposed budget reflects an increase in the level of the Base Assessment from the previous year in excess of 10%, the budget must be approved at a meeting by Voting Members representing at least 67% of the total Class "A" votes in the Association. If a quorum is not attained at such meeting duly called, the proposed budget shall be deemed approved."

is hereby amended to read:

"If the proposed budget reflects an increase in the level of the Base Assessment from the previous year in excess of 10%, the budget must be approved by a majority vote at a meeting of the Members at which a quorum was present and voting in person or by proxy. If a quorum is not attained at such meeting duly called, the proposed budget shall be deemed approved."

i. Section 8.3 is supplemented by the addition of the following provision:

"The Board reserves the right to move Association funds to insure financial stability of the Association with the unanimous approval of the Board."

j. Section 8.7(b) is amended to change the requirement for Declarant's notice to the Board from 60 days to 120 days.

k. The first sentence of Section 8.10 is deleted and the following substituted therefor: "Upon acquisition of record title to a Lot the new Owner will make a contribution to the Association as provided in Article XVI of the Declaration as amended by the 2004 Resale Amendment recorded November 16, 2004, in Volume 222, Page 204, Real Property Records of Dallas County, Texas."

l. Section 10.4 is hereby deleted.

m. Section 10.7 is amended to grant to the Association, Board, and Board's Designee the rights and powers under this provision. Nothing in this provision

shall limit the right and power of the Association to correct violations of the covenants as provided elsewhere in the Declaration.

n. Section 10.8(c) is supplemented to provide that any suspension of rights to use the Common Area will be consistent with the requirements of law as they may change from time to time.

o. Section 14.3 is supplemented by the provision that the owner, lessee, or operator of the Golf Course shall have the obligation to maintain and cut the grass on such party's property within The WaterView Community.

p. Section 18.2 is amended to provide that the Declaration may be amended by a majority of Class "A" Members.

q. Section 18.5 is hereby added to the Declaration as follows:

"18.5 Code of Conduct.

The Declarant, if any, and all members of the Board of Directors, all elected officers of the Association, and all members of standing or *ad hoc* committees (referred to in this Section 18.5 as the "Party" or the "Parties", as applicable) shall adhere, at a minimum, to the following rules of conduct relating to the performance of their duties:

(a) A Party shall adhere to the standards set forth in Section 3.25 of the Bylaws or standards promulgated thereunder.

(b) If a Party accepts a position as director, officer or committee member such Party will apply his or her best efforts to serve well in that position. Performance of duties will include, without limitation, attendance at the meetings of the Board or committee, as applicable, and special and annual meetings of the Members insofar as is possible. A Party is expected to be an active Member of the Association, particularly with respect to the position which he or she has accepted. A failure to contribute to the work of the Board, committee, etc, will be grounds for removal.

(c) A Party's conduct and action or inaction taken by him or her shall not be influenced by such Party's self-interest or self-dealing. No decision should be founded solely upon personal interest. For example, a Party should not vote on or advocate the making of a contract in which he or she is a principal or has a financial interest. The Party should recuse himself or herself and make full disclosure of his or her interest in the subject matter. Nothing herein will prohibit the Board from acting favorably on the matter if it is deemed in the best interest of the Association to do so.

(d) The Parties shall treat all Owners and all areas of The WaterView Community equally and equitably. No one should receive special favorable treatment and no one should receive less favorable treatment than accorded to any other Owner or resident in the community. (Nothing herein is intended to affect the provisions of the Broadmoor

Estates Neighborhood Supplemental.) The parties must never act in an arbitrary or capricious manner but should endeavor to make reasonable decisions with regard to the matters which come before them. Consistent with the foregoing, the Party will work to diligently, fairly, and uniformly enforce the covenants and restrictions contained in the Declaration or promulgated thereunder.

(e) The Parties should at all times comply with the covenants and restrictions of The WaterView Community including, without limitation [i] the timely payment of assessments; [ii] proper maintenance of the Party's property within the community; and [iii] the submission of plans for any improvements or alterations to their property and compliance with the ruling of the ARC or Board with respect thereto.

(f) At no time should a Party conduct himself or herself in an obnoxious or disorderly manner nor be guilty of any violation of law other than infrequent minor traffic violations. This rule is applicable both in the performance of a Party's duties for the Association and in his or her relationship with other Members of the Association.

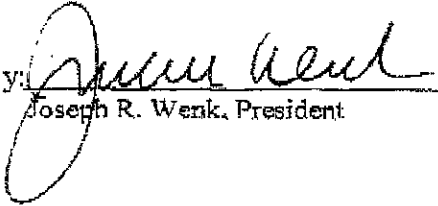
If a violation of this Code of Conduct is charged against a Party the allegation will be submitted to the Board in writing. The Board shall investigate the charge and, if found to be accurate, the Board may remove the Party from his duties or determine such other action as may be necessary to resolve the problem without undue damage to the Association and its Members."

NOTICE: Section 2.9 of the Declaration provides that the Class B" Membership will expire, *inter alia*, "when, in its discretion, the Class "B" Member so determines. Section 6.3(b)(ii) provides that "The Class "B" membership shall terminate upon the earlier of: ... (ii) when, in its discretion, Declarant so determines and declares in a Recorded instrument." Notice is hereby given that, effective upon the election of a new Board of Directors by the Class A Members of the Association Declarant will terminate its status as Class B Member.

IN WITNESS WHEREOF, the Declarant has caused this Amendment to be executed by its duly authorized agent as of the date first above written.

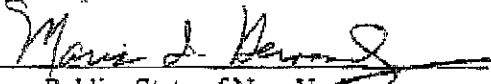
DECLARANT: **SNAPDRAGON PROPERTIES ASSOCIATES, L.P.**, a Delaware limited partnership

By: Snapdragon Enterprise, Inc., a Delaware corporation,
its General Partner

By: 
Joseph R. Wenk, President

STATE OF NEW YORK §
§
COUNTY OF NEW YORK §

This instrument was acknowledged before me on this 25th day of May, 2005, by Joseph R. Wenk, President of Snapdragon Enterprise, Inc., a Delaware corporation, General Partner of Snapdragon Properties Associates, L.P., a Delaware limited partnership, on behalf of said corporation and partnership.

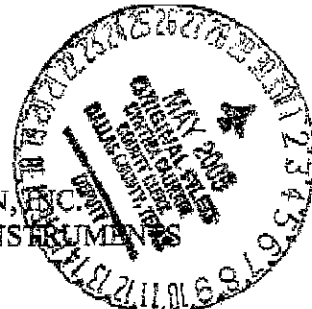

Notary Public, State of New York

MARIA I. HERNANDEZ
Notary Public, State Of New York
No. 01HE8067170
Qualified in Suffolk County
Commission Expires December 3, 2005

AFTER RECORDING RETURN TO:

Charles W. Spencer, Esq.
8111 LBJ Freeway, Suite 920
Dallas, TX 75251

CERTIFICATE
OF
WATERVIEW COMMUNITY ASSOCIATION, INC.
REGARDING RECORDATION OF DEDICATORY INSTRUMENTS



STATE OF TEXAS)
)
COUNTY OF DALLAS) KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Section 202.006 of the Texas Property Code requires that "A property owners' association shall file each Dedicatory Instrument, as defined in Section 202.001 of the Texas Property Code, in the real property records of each county in which the property to which the dedicatory instrument relates is located."; and

WHEREAS, WaterView Community Association, Inc., a Texas nonprofit corporation (the "Association") desires to comply with Section 202.006 by filing of record in the real property records of Dallas County, Texas, all instruments governing the operation of the Association which have not been heretofore filed of record; and

WHEREAS, the Association has promulgated the revised Design Standards annexed hereto which constitutes a Dedicatory Instrument as defined in Section 202.001, Texas Property Code and desires to place same of record in compliance with Section 202.006 of the Texas Property Code;

NOW, THEREFORE, the undersigned, being the attorney and authorized representative of the Association hereby certifies that the instrument attached to this Certificate constitute a DEDICATORY INSTRUMENT of the Association and is being recorded herewith to satisfy the requirements of Section 202.006 of the Texas Property Code.

EXECUTED the 31st day of May, 2005.

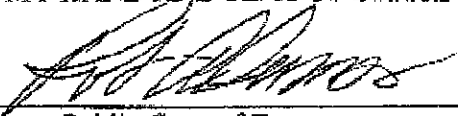
WATERVIEW COMMUNITY ASSOCIATION, INC.,
A Texas nonprofit corporation

By: Charles W. Spencer
Charles W. Spencer,
Authorized Representative

STATE OF TEXAS X
 X
COUNTY OF DALLAS X

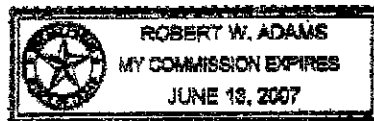
This instrument was acknowledged before me on the 31 day of May, 2005, by Charles W. Spencer, the Authorized Representative of WaterView Community Association, Inc., on behalf of said nonprofit corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 31 day of May, 2005.



Notary Public, State of Texas

[Notary Stamp]



AFTER RECORDING PLEASE RETURN TO:

Charles W. Spencer, Esq.
8111 LBJ Freeway, Suite 920
Dallas, TX 75251