RULES AND REGULATIONS

OF

FRANKLIN COUNTY WATER DISTRICT

(APPROVED JANUARY 17, 2017)
(UPDATED NOVEMBER 19, 2019)
(UPDATED November 17, 2020)
(UPDATED April 20, 2021)
(UPDATED September 21, 2021)
(UPDATED January 20, 2022)
(UPDATED June 24, 2025)
(UPDATED August 5, 2026)

RULES AND REGULATIONS
OF
FRANKLIN COUNTY WATER DISTRICT

WHEREAS, the FRANKLIN COUNTY WATER DISTRICT was created by certain enabling legislation pursuant to Article XVI, Sec. 59 of the Texas Constitution for the purposes of protecting the watershed of Lake Cypress Springs and the water impounded therein; and

WHEREAS, the Board of Directors of the District has determined that the incidental use of certain designated areas of the Lake by the general public for development and recreational activities will not conflict with the operation and maintenance of the reservoir for its primary purpose of water supply and conservation; and

WHEREAS, the Board has further determined that the following Rules and Regulations are in the best interest of the District and all persons who may be entitled or permitted to utilize the Lake or the property owned by the District.

NOW, THEREFORE, in consideration of the foregoing premises, the Board does hereby promulgate the following Rules and Regulations for public safety and welfare; and

FURTHER, declares that such Rules and Regulations shall be applicable to the waters of Lake Cypress Springs and all property adjacent thereto or in the vicinity thereof owned, controlled or supervised by the District; and

FURTHER, declares that such Rules and Regulations may be enforced by the District or any certified peace officer in the State of Texas.

DEFINITIONS

For the purposes of these Rules and Regulations, the following terms shall have these meanings:

"***Accessory Building***" means a permanent, detached subordinate building arranged and designed for a use which is clearly

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incidental to that of the main building or to the use of the land, provided that a trailer or manufactured home shall never be construed to be an Accessory Building.

*"**As-Built Survey**"* means a record drawing showing the final configuration of the project as constructed.

"***Board***" means the Board of Directors of the Franklin County Water District.

"***Boathouse***" means the primary On-Water Facility building or structure for the primary purpose of sheltering or protecting boats or other watercraft.

"***Commercial Operations***" means any activity which involves the solicitation or acceptance of any public patronage.

"***Contractor***" means an individual or entity authorized to perform work on District property in accordance with the Rules, and includes Contractor's successors, assigns, officers, agents, representatives, and employees.

"***Contractor Registry***" shall have the definition assigned in Section 15.30 below and in accordance with Contractor Registration Agreement.

"Covered Area" means area having over-head structural shaded protection, excluding shaded areas from umbrellas, sun sails, or similar non-structural assets.

"***Cradle Area***" means the structural area within the boat slip used for supporting a boat upright and out of the water.

"***Dam***" means the Franklin County Dam situated at the east end of the Lake.

"Demolition" *means the razing, cartage, and wrecking of any structure or Improvement on District Property.*

"***District***" means the Franklin County Water District.

"***District Property***" means all real property owned by, or under the control or supervision of, the District, including, without limitation, the Lake.

"***Dredging***" means the removal of sediments and debris from the bottom of the Lake pursuant to a valid Commercial Work Permit.

"***Dwelling Unit***" means a building or portion thereof designed exclusively for residential occupancy.

"***Environmental Law***" means all federal, state, and local statutes, ordinances, regulations, and rules relating to environmental quality, health, safety, contamination and clean-up, including, without limitation, the Clean Air Act, 42 U.S.C. Section 7401 et seq.; the Clean Water Act, 33 U.S.C. Section 1251 et seq., and the Water Quality Act of 1987; the Federal Insecticide, Fungicide, and Rodenticide Act, 70 U.S.C. Section 136 et seq. (FIFRA); the Marine Protection, Research, and Sanctuaries Act, 33 U.S.C. Section 1401 et seq.; the National Environmental Policy Act, 42 U.S.C. Section 4321 et seq.; the Noise Control Act, 42 U.S.C. Section 4901 et seq.; the Occupational Safety and Health Act, 29 U.S.C. Section 651 et seq.; the Resource Conservation and Recovery Act (RCRA), 42 U.S.C. Section 6901 et seq., as amended by the Hazardous and Solid Waste Amendments of 1984; the Safe Drinking Water Act, 42 U.S.C. Section 300f et seq.; the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), 42 U.S.C. Section 9601 et seq., as amended by the Superfund Amendments and Reauthorization Act, the Emergency Planning and Community Right-to-Know Act, and Radon Gas and Indoor Air Quality Research Act; the Toxic Substances Control Act (TSCA), 15 U.S.C. Section 2601 et seq.; the Atomic Energy Act, 42 U.S.C. Section 2011 et seq., and the Nuclear Waste Policy Act of 1982, 42 U.S.C. Section 10101 et seq.; and state super-lien and environmental clean-up statutes, with implementing regulations and guidelines. Environmental Law shall also include all state, regional, county, municipal, and other local laws, regulations, and ordinances insofar as they are equivalent or similar to the federal laws recited above or purport to regulate Pollutant.

"***Family***" means one or more persons related by blood, adoption, or marriage, or not more than four (4) unrelated persons living and cooking together as a single housekeeping unit.

"***Fee Schedule***" means the District's schedule of fees and charges as updated by the Board from time to time and made available on the District's website or in person at the District's offices.

"Finished Areas" means square-footage with enclosed walls, floors, or ceilings of materials generally accepted for interior residential construction (e.g., windows, drywall/sheet rock, insulated walls, carpet, etc.) and/or any building that is climate controlled. This typically includes guest houses, workshops, offices, etc.

"Fixed" means restricted from floating, static, and secured from movement.

"Floating" means able to rise and fall with variable reservoir levels.

"***Garage***" means an improvement intended to be used primarily for the parking or temporary storage of automobiles or other vehicles. A garage may either be an Accessory Building or attached to the main building.

"Golf Cart" means a vehicle with at least three wheels that has a normal maximum speed of between 15 – 25 mph and is manufactured primarily for operation on golf courses.

"***Guest House***" means living quarters located within a detached Accessory Building located on the same premises with the main building, for use by temporary guests of the occupants of the premises, such quarters having no separate kitchen facilities and not rented or otherwise used as a separate Dwelling Unit.

"***Illuminated Sign***" means a Sign that is artificially lighted, whether from an interior or exterior light source.

"***Improvement***" means constructed additions to real property, including, without limitation, Dwelling Units, Accessory Buildings, Garages, Guest Houses, fences, driveways, retaining walls, On-Water Facilities, etc.

"***Improvement Survey***" means a comprehensive survey of a parcel of real property prepared by a licensed professional land surveyor or engineer that depicts the boundaries of such real property and accurately shows the location of any and all Improvements.

"***Internal Range***" means the distance as measured from the lowest lift obstruction to the normal pool water surface elevation (378' m.s.l.) inside the Cradle Area.

"***Kitchen Facilities***" means a space adapted to cooking or preparing food and containing one or more of the following: stove, oven, range, cook top, dishwasher or trash compactor.

"***Lake***" means Lake Cypress Springs, including the lake property, all its streams, inlets, drains, and tributaries, and all lands and premises covered in whole or in part by water owned by or under the control or supervision of the Franklin County Water District.

"***Leased Property***" means a portion of District Property which is the subject of a valid lease between the District, as landlord, and a Lessee, as tenant.

"***Lessee***" means the holder of any leasehold estate in any Leased Property pursuant to a written Lease between such holder, as tenant, and the District, as landlord.

"***Livestock***" means any cattle, sheep, swine, goats, ratites, or poultry commonly raised for human consumption; a horse, pony, mule, donkey, or hinny; native or non-native hoofstock raised under agricultural practices; or native or non-native fowl commonly raised under agricultural practices.

"***Major Holiday Weekend***" shall mean the following observed Federal holidays: Memorial Day, Independence Day, and Labor Day. The District General Manager, in his or her sole discretion, will notify Permittees of the date(s) and time(s) during which Permitted Commercial Activity is prohibited. If a Major Holiday is observed on Tuesday through Thursday on a given year, the District will consider the weekend preceding the observed holiday, following the observed holiday, or both as a Major Holiday Weekend.

"***Manage***" shall mean to generate, manufacture, process, treat, store, use, re-use, refine, recycle, reclaim, blend or burn for energy recovery, incinerate, accumulate speculatively, transport, transfer, dispose of, or abandon any Pollutant.

"***Manager***" means the person employed by the District to serve as its general manager.

"***Manufactured Home***" means a United States Department of Housing and Urban Development ("HUD")-code manufactured home or a mobile home.

"***Mining***" means the extraction, removal, or stockpiling of earth materials, including soil, sand, gravel, oil, gas, or other minerals or materials found in the earth, whether accomplished by digging, drilling, pumping or any other current or future technology.

"***Modular Home****"* means a single-family residential structure that is (1) constructed in one or more modules or constructed using one or more modular components built at a location other than the permanent site; and (2) designed to be used as a permanent residential structure when the module or the modular component is transported to the permanent site and erected or installed on a permanent foundation system.

"On-Water Facility" means a building or structure extending partially or completely over the water. As an example, an On-Water Facility includes, but is not limited to, a Pier, dock, Boathouse, or deck.

"***Grandfathered Use(s)***" means current lots, structures, Improvements, and uses existing on District Property that would be prohibited or restricted under these Rules, but for which the applicable Lessee obtained a properly issued permit or other approval from the District at the time such nonconformity was originated.

"***OSSF***" means on-site sewage facility.

"***Permit***" means any and all permits issued by the District to a Lessee, its agents, contractors, or occupants on a Lessee's Leased Property, District Property, or the Lake to perform any activity, including a Permitted Commercial Activity.

"Permitted Commercial Activity" means construction, dredging, or other permitted activities on a Lessee's Leased Property, District Property, or the Lake that requires the use of heavy equipment on or around the Lake, including but not limited to the use of a commercial work barge.

"***Pier***" means a platform or other structure supported on pillars and extending partially or completely over the water for use as a landing place for watercraft or as an entertainment area.

"Pollutant" shall mean dredged spoil, solid waste, incinerator residue, sewage, garbage, sewage sludge, munitions, chemical wastes, biological materials, radioactive materials, heat, wrecked or discarded equipment, rock, sand, cellar dirt and industrial, municipal, and agricultural waste.

"***Release***" shall mean any actual or threatened spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing of Pollutant into or impacting the Lake, or any property owned or maintained by the District.

"***Repair***" means the act of fixing or mending a structure that is suffering from damage, wear and tear, or defect, with the sole objective of restoring the structure to its original fully functioning and safe condition. Repair does <u>not</u> include the enhancement, improvement, or replacement of the structure.

"***Rules***" means these Rules and Regulations of the Franklin County Water District.

"Setback" shall mean the distance from a curb, property line, or structure within which any building is prohibited.

"***Short Term Rental"*** shall mean the lease, sub-lease, rent, or license of any residential unit or portion thereof on Leased Property for a period of less than six consecutive months.

"***Sign***" means every message, announcement, declaration, illustration, insignia, surface, or space, whether personal, professional, or commercial in nature, erected or maintained in view of the observer for identification, expression, entertainment, or promotion, including those of both a temporary and permanent nature. The definition of Sign includes the sign structure, supports, lighting system and any attachments, ornaments or other features used to draw the attention of observers.

"***Single Family***" means one or more persons related by blood, adoption, or marriage to the first or second degree of consanguinity or affinity; or not more than two (2) unrelated persons living and cooking together as a single housekeeping unit.

"***TCEQ***" means the Texas Commission on Environmental Quality and any successor thereto.

"***Walkway***" means a sidewalk, pathway, deck, or passageway constructed over the ground for walking.

ARTICLE I
WAIVER OF LIABILITY

Neither the District, the Board, the Manager, nor any of their respective agents, employees, or contractors shall be liable to any party for any injury, death, damage or loss to persons or property of any kind occurring in, around or upon District Property from any cause whatsoever, **INCLUDING WITHOUT LIMITATION THE NEGLIGENCE OF THE DISTRICT, THE BOARD, THE MANAGER, OR THEIR RESPECTIVE AGENTS, EMPLOYEES OR CONTRACTORS.** Voluntary entry upon District Property by any party shall be at the sole risk of such entering party and shall constitute an express waiver and release of all claims against the District, the Board, the Manager, and their respective agents, employees, and contractors for all such injury, damage or loss to persons or property.

All Leased Property is accepted by the Lessee thereof **AS IS, WHERE IS, WITH ALL FAULTS.** The District makes no warranties or representations of any kind, express or implied, with respect to any Leased Property, including, without limitation, as to habitability, fitness or suitability for a particular purpose.

ARTICLE II
RESTRICTED AREAS

2.1 No person, vehicle or water craft of any kind shall be allowed:

(a) On the Lake within two hundred feet (200') of any water intake or spillway structure (e.g., the "Morning Glory" spillway);

(b) On any stream bed or other land area downstream (east) of the Dam; or

(c) In any other area specifically marked "Restricted" or "No Trespassing" by the District.

2.2 Entry by any unauthorized party onto the embankment of the Dam, including fishing, mooring boats, or trespassing in any other manner, is strictly prohibited.

2.3 The use or operation of any motor vehicle within the emergency spillway, or the embankments on either side thereof, is strictly prohibited, except as specifically authorized by the District.

2.4 Only specifically authorized personnel shall be allowed in any District maintenance shops, equipment buildings, and/or operations quarters.

2.5 All vehicular traffic is prohibited on green belt areas designated by the District, including without limitation the west end park area and Mary King Park.

2.6 The District shall install marker buoys to designate restricted areas upon the Lake.

2.7 It is a violation of the laws of the State of Texas for any person to move, remove, tamper with, willfully damage or anchor any water craft to a buoy.

2.8 No buoy shall be placed on the Lake without specific prior approval in writing from the District, and such approval may be granted in the District's sole discretion. The District may allow each Lessee to place two (2) mooring buoys directly in front of each lot, not to extend past the furthest most point on the approve On-Water Facility or forty (40) feet from the retaining wall or normal pool elevation of the reservoir (378 feet MSL). These mooring buoys must be in the design and specifications identified by the District.

2.9 The Lake and/or District boat ramps may be closed by the District pursuant to the District's policy on Lake closure. If the District has closed the Lake and/or any District boat ramp, no person, vehicle or water craft shall be allowed on the Lake or to utilize any boat ramp until the Lake and/or boat ramp is re-opened. **Any prohibited use of the Lake or boat ramp during closure is a violation of the Rules.**

ARTICLE III
FIREWORKS

3.1 Fireworks shall be allowed in designated areas of District Property on Independence Day, New Year's Eve, New Year's Day, Texas Independence Day, San Jacinto Day, Memorial Day and other times specifically authorized by the District. Fireworks shall not be allowed at any time the District or Franklin County is under a burn ban and fireworks use shall at all times be subject to any additional bans or restrictions on fireworks imposed by the District or Franklin County.

ARTICLE IV
HUNTING AND FISHING

4.1 All forms of hunting are strictly prohibited on all property owned by the District

4.2 All applicable laws, ordinances, and regulations of the State of Texas, as supplemented by these Rules, shall govern the taking of fish from the Lake.

4.3 No fishing shall be allowed in any designated swimming areas.

4.4 No fishing shall be allowed within two hundred feet (200') of any water intake structure.

4.5 Taking, removing, injuring, capturing, or attempting to take, remove, injure, or capture, Triploid Grass Carp from the Lake is strictly prohibited.

ARTICLE V
BOATS, AIRCRAFT, AUTOMOBILES, BICYCLES AND OTHER VEHICLES

5.1 The Texas Water Safety Act and all amendments thereto are incorporated herein by reference and shall be applicable to all District Property.

5.2 Boats shall only be launched onto the Lake from boat ramps properly designated by the District.

5.3 All boats and water craft shall be operated in a careful and prudent manner at idling speed in restricted zones designated by District buoys.

5.4 All boats and other water craft shall be kept securely moored and anchored when not in use.

5.5 Any boat or water craft found abandoned, adrift or unattended shall be impounded in accordance with Texas law, including the Texas Water Safety Act.

5.6 Except as specifically provided herein, no aircraft of any kind shall be permitted on District Property.

(a) Aquatic aircraft shall be permitted to takeoff and land directly from and on the surface of the waters of the Lake.

(b) Unmanned aircraft shall be permitted on District Property, except in the designated areas identified hereinbelow, where the taking off, landing, and operation (as applicable) of unmanned aircraft are strictly prohibited:

(i) Unmanned aircraft shall not be permitted to takeoff from or land on public park areas of District Property, including, without limitation, Dogwood Park, Guthrie Park, Mary King Park, Overlook Park, Twin Oaks Park, Walleye Park, and the west end park area, unless specifically authorized by the District; and

(ii) Unmanned aircraft shall not be permitted to takeoff from, land on, or operate over (meaning less than or equal to 400 feet above ground level) or near (meaning close enough to interfere with the operations of or cause a disturbance to the critical infrastructure facility) and critical infrastructure facility, unless specifically authorized by the District or under applicable law.

5.7 No commercial business is allowed that rents, utilizes, or operates any specialized recreational device which is not designed for on-water use and remaining in constant contact with the water surface (e.g., ultra-lights) on the Lake. Such

prohibition includes commercial businesses relating to a recreational device not designed for on-water use, but which is tethered to a watercraft or other device in constant contact with the water surface, including, but not limited to, parasailing and jet packs.

5.8 All motor vehicles on District Property, including automobiles, motor bikes and motorcycles, must be registered and operated in compliance with the laws of the State of Texas.

5.9 All drivers and operators of motor vehicles and golf carts on District Property must have a current, valid driver's license.

5.10 Pursuant to the authority granted to the District in §542.202 of the Texas Transportation Code and §51.127 of the Texas Water Code, the District is authorized to designate speed limits on public park areas of District Property, which shall be marked with signs posted by the District with the maximum allowed speeds. No motor vehicle or golf cart shall be operated in such marked areas in excess of the posted speed.

5.11 The District does not post and shall not be responsible for regulating or enforcing traffic regulations (e.g., speed limits) on any road, street, drive or other right of way located within any private development on Leased Property.

5.12 Except for golf carts (as provided in Section 5.15 below), all non-registered, off-road vehicles, including go-carts, dune buggies, four wheelers, and all other types of all-terrain vehicles, are expressly prohibited on public park areas of District Property.

5.13 All motor vehicles and golf carts are prohibited on public beach areas of District Property.

5.14 Bicyclists on District Property shall comply with all applicable bicycle traffic and safety laws of the State of Texas.

5.15 Golf carts shall be allowed on all public park areas of District Property, except Mary King Park and the West End Park.

5.16 All golf carts on District Property shall at all times be operated in a safe and prudent manner and in accordance with these Rules and Regulations. Any violation of these Rules and Regulations by an operator of a golf cart may result in prohibition from further operation on District Property.

ARTICLE VI
SWIMMING

6.1 All swimming on District Property shall be done in a safe and prudent manner.

6.2 No person shall wade, swim or dive within fifty feet (50') of any boat launch areas, or in any other area designated by the District as a prohibited swimming area.

6.3 All diving or jumping into the Lake from public highways, roadway bridges or utility towers is strictly prohibited.

ARTICLE VII
PUBLIC AREAS, PARKS, AND PAVILIONS

7.1 All persons using public park areas within District Property shall use reasonable care to keep and maintain such areas in good and clean condition.

7.2 All trash, rubbish, garbage or other waste generated on District public park areas shall be disposed of only at designated disposal sites.

7.3 Public trash receptacles on District Property are solely to be used for disposing of trash generated in public areas of District Property. It shall be unlawful to transport and deposit any household garbage, rubbish, trash or waste in a public trash receptacle owned by the District.

7.4 Children twelve (12) years of age or under shall be accompanied and supervised by an adult at all times while on District Property.

7.5 All pets shall be kept on leashes or otherwise restrained while in public park areas. No vicious, aggressive or potentially dangerous pets or animals shall be brought onto District park facilities.

7.6 Glass beverage containers and metal cans (e.g., soft drinks, beer, alcoholic beverages, etc.) are strictly prohibited on public beach areas.

7.7 Glass beverage containers are strictly prohibited in all pavilions.

7.8 No fires shall be allowed in any pavilion.

7.9 No fish cleaning shall be allowed in any pavilion.

7.10 Personal property shall not be left unattended or abandoned on District Property. Any such personal property abandoned for a period in excess of forty-eight (48) hours may be impounded by the District and subject to an impound fee. Impounded property that is not reclaimed (including payment of any applicable impound fee) may be sold, destroyed, converted to District use, or otherwise disposed of, at the sole discretion of the District.

7.11 No generators shall be operated on District Property in a manner so as to disturb others.

7.12 No trees on public park areas of District Property shall be cut, removed, mutilated, broken, burned, or otherwise damaged without prior written permission from the District.

ARTICLE VIII
CAMPING

8.1 Camping shall be allowed on District Property only within designated camping areas.

8.2 No person shall camp on District Property without first paying the applicable fee and receiving written confirmation thereof.

8.3 No person shall camp on District Property for a period of fourteen (14) consecutive days or longer without obtaining prior consent or authorization from the District.

8.4 No picnicking, parking or loitering is allowed in any camping area (including associated pavilions) without payment of the applicable camping fee, as required in Section 8.2 above.

8.5 Fires shall be permitted only in designated areas and shall not be left unattended. All fires shall be completely extinguished prior to campers leaving the camp site.

8.6 No disposal outlet shall be opened, nor shall any effluent, “gray water”, or other liquid waste be discharged on District Property except at designated dump stations.

8.7 The installation of any kind of permanent or semi-permanent structure or Improvement on a designated camping area is strictly prohibited.

ARTICLE IX
RESERVATIONS AND SPECIAL EVENTS

9.1 Reservations for recreational vehicle camping sites may be made in person, by telephone, or on the website, up to sixty (60) days in advance of the check-in date.

9.2 Reservations for the pavilion may be made in person, by telephone, or on the website, up to six (6) months in advance of the check-in date.

9.3 Reservations for Twin Oaks may be made in person, by telephone, or on the website, up to one (1) year in advance of the check-in date.

9.4 Reservations may be made in person at the District office during business hours of 8:30 a.m. – 4:30 p.m., Monday thru Friday.

9.5 Reservations are not confirmed until payment in full is received by the District.

9.6 Pavilion and Twin Oaks Park reservations may also require payment of a security deposit, which shall be refunded only upon District confirmation that the reserved area was left clean and in good condition. Patrons of the Pavilion and Twin Oaks Park are required to provide the District with their contact information, vehicle license plate number, and a copy of a valid driver's license or government-issued identification.

9.7 Any special event to be conducted on District Property, shall require a special event permit from the District, which shall designate the location and duration of such event, in addition to any other restriction imposed by the District. Concession stands shall only be permitted on District Property in conjunction with a properly permitted and active special event permit. The approval of a special event permit does not, standing alone, constitute any form of District sponsorship or endorsement of the special event or applicant. The requirements of this section are cumulative with all other rules, regulations, and policies of the District relating to the use of District Property for a special event or otherwise.

9.8 Allows the sale of goods, wares, merchandise, food, and/or drinks on District Property, including, without limitation, via concession stands, food trucks, mobile food units, street vendors, or kiosks, if and only if a vendor permit is duly obtained from the District; and authorize the District, in its sole and absolute discretion, to determine reasonable rates and fees for and impose reasonable conditions, limitations, and restrictions on vendor permits on District Property.

ARTICLE X
PERMITTED COMMERCIAL ACTIVITIES

10.1 Commercial Operations are prohibited on District Property except as specifically allowed by a permit or other written agreement with the District, and then only on areas designated by the District for Commercial Operations. Notwithstanding the foregoing, the advertising and sale of a Lessee's leased property by such Lessee shall not be prohibited, provided that the foregoing exclusion shall not permit the operation of realty, brokerage, or other real estate related business on District Property.

10.2 The character, extent, and duration of any permitted Commercial Operations shall be as specified in a permit, concession, or other written agreement with the District.

10.3 Private notices, billboards, and all other forms of advertising (including commercial, business and professional Signs) are strictly prohibited on District Property except as specifically authorized by the District in writing. Notwithstanding the foregoing, a Lessee may display up to two (2) "For Sale" or "For Rent" Signs on such Lessee's leased property, provided however that such Signs may not exceed 2' x 2' in size, shall only pertain to the actual property upon which they are located, and shall otherwise comply with the requirements of Section 13.8 below.

10.4 Persons or entities wishing to use District Property for Commercial Filmmaking are required to apply for and obtain a film permit from the District prior to commencing any Commercial Filmmaking-related activities on District Property. Commercial Filmmaker shall only be permitted on District Property in conjunction with a properly permitted and active film permit. The District shall have the absolute and exclusive right and authority to grant or deny film permit applicants the use of or access to District Property, in whole or in part and for any reason; and regulate the date(s), hour(s), and location(s) of production on District Property. The District reserves the full and absolute right to prohibit any and all Commercial Filmmaking on District Property and order, at any time and for any reason, the cessation of any and all Commercial Filmmaking to, without limitation, promote the public health, safety, or welfare of the District and local residents. Definitions: " Commercial Filmmaking" means the filming of any and all types of motion picture productions, including, without limitation, movies, feature films, television shows, commercials, music videos, and/or related activities for public, commercial use, but not a film made for private, non-commercial use and which does not adversely impact adjacent properties or the health, safety, and welfare of the community, including amateur photography or videography; a film made by or for reporters and related crew in the employ of a newspaper, news service, radio or television broadcasting station, or similar entity engaged in on-the-spot broadcasting, reporting, or photographing of current news of general public interest; or a film made for the District by District personnel or representatives for use in a criminal investigation, in a court proceeding, or otherwise. The District shall have final and exclusive authority in determining what constitutes or qualifies as Commercial Filmmaking under these Rules.

ARTICLE XI
PROHIBITION OF SHORT TERM RENTAL OF LEASED PROPERTY

11.1 No Lessee shall allow any Leased Property, or any residential unit or portion of a residential unit located on Leased Property, to be used as a Short Term Rental.

11.2 Upon investigation by the District and notification to the Lessee that Leased Property is being used as a Short Term Rental in violation of these Rules, Lessee must demonstrate to the District that the Leased Property is no longer being used as a Short Term Rental. Following this initial violation, any future violations of this Article XI shall not be curable and shall be deemed a default of the Lease that may be terminated by the District.

ARTICLE XII
MAINTENANCE OF LEASED PROPERTY

12.1 All Leased Property shall be maintained by the Lessees thereof in a safe, clean and reasonable manner, including the control of undesirable weeds and undergrowth and proper drainage. Notwithstanding the foregoing, unimproved property may be left substantially in its natural state, as long as such property otherwise complies with these Rules.

12.2 All Improvements on Leased Property, including buildings, structures, retaining walls, and On-Water Facilities, shall be maintained in a safe and orderly manner so as to not detract from the beauty of the Lake or create a safety hazard.

12.3 Construction materials, supplies, or equipment may only be stored on Leased Property on a temporary basis for a period not to exceed thirty (30) calendar days.

12.4 No Leased Property shall be modified or altered so as to allow or contribute to erosion or otherwise detract from the natural beauty of such property.

12.5 No livestock or poultry of any kind shall be raised, bred, or kept on District Property.

12.6 All swimming pools on District Property shall be maintained in a safe and sanitary manner free from stagnant water, filth, carrion, trash, rubbish, or any condition likely to produce disease, impurity, or other unhealthy condition.

12.7 A Lessee shall notify the District immediately in the event of any modification to the OSSF serving such Lessee's Leased Property and shall thereafter provide the District with a diagram and other acceptable documentation evidencing such modification.

12.8 Travel trailers, motor homes, and other recreational vehicles may be stored on Leased Property but shall not be connected to any external utility hook-ups or otherwise used for camping or residential purposes while on Leased Property.

ARTICLE XIII
DEVELOPMENT STANDARDS

13.1 No development shall be permitted on District Property until the District has reviewed design drawings, construction and development plans, and specifications for such development. The District Board of Directors may, in its sole discretion and for any reason, approve or deny a request to develop on District Property or place any conditions, restrictions, or requirements on a development.

13.2 Single Family residential.

(a) The development of Single Family residential areas or the construction of Single Family Dwelling Units shall be permitted only in areas designated by the District for such development and construction.

(b) Those portions of District Property designated as "Single Family Residential" by the District shall be restricted to private, non-commercial, Single Family residential use and shall contain no more than one Dwelling Unit per lot. Notwithstanding the foregoing, garages, guest houses and other Improvements incidental to residential use may be permitted on Single Family Residential lots, provided such Improvements (i) comply in all other respects with these Rules, and (ii) are not used as a separate Dwelling Unit.

(c) No Lessee may sell, transfer, or convey, or offer for sale, transfer, or conveyance, any partial or fractional interest (other than the entirety) in any Leased Property or leasehold interest.

(d) No Leased Property may be made part of, or used for, a timeshare, tenant-in-common, or other formal multiple-party ownership structure.

(e) Leased Property and leasehold interests may only be titled, owned, and held by and in the name (or names) of natural persons, subject to the other provisions of this Article.

(f) Notwithstanding the foregoing restrictions, the following shall be permitted:

(i) Leased Property and leasehold interests may be titled, owned, and held by and in the name of a family partnership, family trust, or other similar entity, so long as all the beneficial interests in such entity are owned by members of a Single Family and the use thereof complies in all other respects with these Rules.

(ii) During the initial construction or subsequent remodeling of a Dwelling Unit for purposes of marketing and resale, Leased Property and leasehold interests may be temporarily titled, owned, and held by and in the name of the building company; provided, however, that all subsequent conveyances thereof shall comply in all respects with this Article and the other Rules.

(g) The District reserves the right to require prior review of any documentation submitted under this section as it shall reasonably request, including without limitation any formation, authority, and/or conveyance documents, in order to confirm compliance with these Rules. The District shall have a reasonable amount of time prior to the closing of the conveyance to review requested documentation, but in no event less than five (5) business days for such review.

(h) Any sale, conveyance or transfer, or attempted sale, conveyance or transfer, of Leased Property or any leasehold interest therein made in contravention of this Article shall constitute a violation of these Rules and shall, at the election of the District, be null and void ab initio.

(i) The District shall not allow the construction, improvement, or replacement of any building, structure or Improvement where such structure is located crossing tract boundary lines where one tract is owned by the District, and the other tract is owned in fee simple by another individual or entity, and no permit shall be issued by the District for such construction.

13.3 Drainage.

(a) Where a watercourse, drainage way, natural channel, or stream traverses a proposed development, there shall be provided to the District an easement or right-of-way conforming substantially to the limits of such watercourse. Such easement and/or right-of-way shall be in a form acceptable to and approved by the District.

(b) The location and size of required drainage easements shall be determined by the District.

(c) All bridges, culverts, improved channels, or other drainage structures must be approved by the District before installation or construction.

(d) No site improvement shall permit storm water or natural water to stand or be otherwise impounded upon said site.

13.4 Minimum Lot Sizes.

(a) All residential lots shall be at least one-half acre in size.

(b) All residential lots shall be of a depth sufficient to permit an adequate disposal area for an OSSF.

(c) The waterfront boundary of all lots abutting the Lake shall be at least one hundred feet (100').

13.5 Minimum Residence Size and Residence Origin. No single-family residence constructed on District Property shall have less than one thousand (1,000) square feet, excluding open or screened porches, terraces, patios, driveways, carports and garages.

13.6 Camping Restricted.

(a) No camping shall be allowed on any District Property designated for Single Family residential use unless a building permit has been issued by the District and on-site construction of a residence has commenced.

(b) Any camping permitted by provisions of Section 13.6(a) above shall require a camping permit, which may be issued at the sole discretion of the District.

(c) The District will not issue a camping permit under this Section 13.6 if the governing homeowner's association or other applicable restrictive covenant prohibits camping.

13.7 Manufactured Homes and Modular Homes. The installation, use or occupancy of any type of Manufactured Home on District Property is strictly prohibited. Modular Homes are allowed to be erected on District Property only if the Modular Home is installed on a permanent foundation system.

13.8 Signs.

(a) Except as specifically provided herein, no Sign shall be erected, raised or maintained by any Lessee, occupant or contractor on District Property.

(b) All commercial, business and professional Signs are prohibited on District Property except as set forth in Section 10.3 above.

(c) A Lessee shall be allowed to display personal (i.e., non-commercial) Signs on such Lessee's leased property provided that:

(i) the governing homeowner's association (if any) does not prohibit such Signs;

(ii) no Illuminated Signs are allowed;

(iii) no Signs that are obscene, pornographic, threatening, or otherwise reasonably considered to be in conflict with the character of a Single Family Residential neighborhood are allowed;

(iv) no Signs that are flashing, pulsating, animated, moving or rotating are allowed;

(v) all Signs allowed hereunder shall be installed and maintained in a good and workmanlike manner so that the sign structure does not become a hazard or nuisance; and

(vi) all Signs allowed hereunder shall comply with all other applicable Rules, including without limitation setback and height requirements.

(d) All structures, supports, or poles used for the display of a sign or flag must be sized and located in a way that will not interfere with the health or safety of the public, not to exceed twenty-five feet (25') in height.

(e) Notwithstanding the foregoing, nothing contained in this Rule shall prohibit flags, seasonal decorations (during the applicable season only), address designations, or any Signs required by applicable law.

ARTICLE XIV
REPLATTING

14.1 In order to be considered by the District for approval, all replats must:

(a) Contain an accurate field note description in metes and bounds and accompanying sketch of all parcels of Leased Property directly affected by the replat (whether by boundary revision, merger, redesignation, etc.);

(b) Depict both the previous boundary lines (in grayed-out or other legible format) and the new boundary lines of all parcels of Leased Property directly affected by the replat;

(c) Display the square footage and acreage of all parcels of Leased Property directly affected by the replat;

(d) Either (i) depict all Improvements located on all parcels of Leased Property directly affected by the replat, or (ii) be submitted along with a separate, current Improvement Survey of all parcels of Leased Property directly affected by the replat; and

(e) Contain signature blocks for the District, the Franklin County Commissioners' Court (or the then-current approving authority), each Lessee whose Leased Property is directly affected by the replat, and the applicable homeowner's association (if any) governing all of such affected Leased Property.

(f) All replat submittals must include title commitment and, where applicable, consent of any lienholders.

(g) INCOMPLETE REPLATS THAT DO NOT MEET ALL OF THE ABOVE REQUIREMENTS WILL NOT BE ACCEPTED FOR CONSIDERATION BY THE DISTRICT.

14.2 The District's approval of a replat shall be conditioned on the execution of the District's standard Lease Agreement with replat provisions by all Lessees of Leased Property affected by such replat.

14.3 The District shall not approve a replat of any Leased Property containing any uncured violations of these Rules, including, without limitation, unpermitted Improvements, encroachments, protrusions or setback violations.

14.4 Upon receipt of a complete replat request meeting all of the requirements of Section 14.1 above, the District shall have a minimum of thirty (30) days to review such replat before issuing any approval or denial. No "fast-track" or accelerated procedure exceptions shall be allowed.

14.5 The District shall not require a replat if a Lessee assigns its leasehold interest in Leased Property that includes a partial lot, provided that documentation of such partial lot has been previously filed with and accepted by the District. A replat shall be required for any newly created or undocumented partial lot.

14.6 The plat must be tied to two Global Positioning System (GPS) reference points. The GPS points must be in grid coordinates, North American Datum (NAD) 83, Texas State Plane, North Central FIPS Zone 4202. Information on the two GPS reference points is required at the time the preliminary plat is submitted to the Franklin County Water District for review.

14.7 The plat must hold grid bearings. Bearings may not be from an assumed North direction. Surface bearings shall be based on Texas State Plane, North Central Zone (NAD 83), with notation on the plat or replat the combined scale factor and North referenced to Grid North. Distances on the plat will be surface distances. Grid coordinate values in Northing and Easting format shall be included at the point of beginning of all description on the plat or replat.

14.8 A list and description of all control points and benchmarks are available on the District's website at www.fcwd.com. New GPS monumentation is <u>not</u> a requirement for submitting a plat. All horizontal distances are NAD 83 and vertical elevations are to be based on North American Datum (NAD 27).

14.9 An electronic version of the final plat is required at the time the recorded plat is returned to the District. The electronic file must be a ".dwg" file composed in any version of AutoCAD. The electronic version must be submitted on CD-ROM, by USB flash drive, or by electronic mail. If any revisions are made to the final plat, an updated electronic copy of the final plat must be forwarded.

ARTICLE XV
CONSTRUCTION ON DISTRICT PROPERTY

15.1 Except as otherwise specifically provided in this Article, Lessee shall be required to obtain a Permit for the construction, improvement, demolition, or replacement of any building, structure, or Improvement on District Property. No construction activity associated with such construction, improvement, demolition, or replacement may commence until the District has approved the Permit and issued an authorization to commence work. Lessee is liable for compliance with any Permit issued to conduct work on Lessee's Leased Premises, including the acts or omissions of any Contractor engaged by the Lessee to conduct work on Lessee's Leased Premises.

15.2 A Contractor shall be required to obtain a Commercial Work Permit prior to conducting any Permitted Commercial Activity, including construction, dredging, or other activities on the Lake that require the use of heavy equipment on or around the Lake, including use of a vessel and/or work barge. Upon issuance of a Commercial Work Permit, Permittee must provide the District with proof of ownership of, or written authorization to use and operate, any and all equipment necessary for the Permitted Commercial Activity, including any vessel and/or commercial work barge, and the applicable vehicle identification number or serial number for such equipment. Upon request, Permittee shall promptly provide the District with a photograph and detailed description of any and all equipment necessary for the Permitted Commercial Activity, including a vessel and/or any commercial work barge. Permittee shall only maintain and operate a maximum of two (2) commercial work barges on the Lake at

any given time. Permittee is prohibited from conducting any Permitted Commercial Activity during Major Holiday Weekends. A Commercial Work Permit shall be required for each permitted project.

15.3 In addition to the terms and conditions of the District permit and the Rules, all applicable construction activities in the District, including dredging, filling or retaining wall activities, shall be performed in accordance with all applicable regulations and permits of the U.S. Army Corps of Engineers. Construction activities that disturb soil on District Property must employ erosion control practices (silt protection fencing, rock gabions, etc.) to minimize sedimentation reentering the Lake.

15.4 Notwithstanding the provisions of Section 15.1 above, but subject to the District's right to require a Permit in any case that it reasonably deems necessary, no Permit shall be required for the following:

(a) The Repair of any existing permitted structure;

(b) Open decks or porches (including screened-in porches) added to an existing Dwelling Unit or Guest House;

(c) Fences, provided that all fences must be located so as to minimize any obstruction of the view of the Lake by other Lessees;

(d) Temporary or above-ground swimming pools;

(e) Storage buildings, not to exceed 144 square feet;

(f) Water wells;

(g) Non-elevated Walkways, not to exceed 5 feet in width;

(h) Firepits;

(i) Driveways; and

(j) Outdoor kitchens that do not exceed 144 square feet.

All of the foregoing work and Improvements must still comply in all other respects with these Rules, including setback requirements.

15.5 Application Process.

(a) All construction permit requests shall be submitted to the District office in writing and shall be accompanied by:

(i) a properly executed permit agreement acceptable and approved by the District;

(ii) a complete set of design plans and specifications for the requested construction, Improvement or replacement, including a site plan and materials list;

(iii) a copy of the plans and specifications for any OSSF and a copy of the authorization to construct, if the permitted construction requires an OSSF or modifications to a structure would impact the OSSF;

(iv) the name, address, phone number and email address of any contractor or, in the event the Lessee intends to act as its own contractor, any subcontractor who will be performing the work; and

(v) the applicable application, inspection, or renewal fee.

(vi) THE DISTRICT SHALL NOT ACCEPT FOR CONSIDERATION ANY INCOMPLETE PERMIT REQUESTS THAT DO NOT INCLUDE ALL OF THE FOREGOING ITEMS (AS APPLICABLE).

(b) The District shall review the application, the file for the affected Leased Property, and the Contractor Registry to determine any conditions, prior uncured violations, Lease defaults, contractor defaults and standing, and other relevant factors.

(c) The District may conduct an on-site inspection to confirm compliance with these Rules and all other applicable governmental standards.

(d) Provided that the District has received a complete application for a Permit with all required information, the District shall, respond to such permit request upon review. District will notify the applicant if additional time to review the permit request is needed.

15.6 In addition to any permit application fees, the District may require the payment of certain annual fees in connection with any permitted Improvement pursuant to the District's current Fee Schedule.

15.7 If, following the issuance of a Permit, the Lessee makes changes to the scope or nature of the project after a Permit is issued, the Lessee must request to amend such Permit in writing and obtain an additional inspection and approval by the District prior to commencing or continuing work on the project.

15.8 All requests for amendment or modification to a permit application or approved permit shall be made in writing by the Lessee on original forms and contain such plans and specifications as necessary to document the requested change.

15.9 Except as provided in Section 15.30(d) below, only contractors properly registered on the Contractor Registry and in good standing thereunder shall perform work on District Property that requires a permit pursuant to the terms of this Article. Notwithstanding the foregoing, a Lessee shall be responsible for ensuring that all contractors hired by such Lessee to perform work on its Leased Property comply with the terms of the District permit as well as all applicable federal, state and local regulations and these Rules pertaining to the construction project. ANY DEVIATION FROM THE TERMS OF AN APPROVED PERMIT IS STRICTLY PROHIBITED WITHOUT THE PRIOR, WRITTEN AUTHORIZATION OF THE DISTRICT.

15.10 The Permit shall be for the term stated in the Permit issued by the District and upon written request of the permit holder, the District, in its sole discretion, may grant an extension for any Permit.

15.11 Failure to complete any construction, improvement, demolition, or replacement prior to the expiration of the applicable permit shall constitute a default under these Rules, which shall entitle the District, in addition to any other rights and remedies it may have hereunder, at law or in equity, to forced removal of any incomplete structures or Improvements at the Lessee's sole expense.

15.12 Both the holder of a construction permit and the contractor (if applicable) shall ensure that all Improvements, whether they require a permit or not, are located within the applicable boundary lines and setback lines of the applicable Leased Property and otherwise comply with these Rules.

15.13 Upon completion of the permitted construction, improvement, demolition, or replacement, the Lessee shall promptly notify the District to arrange for a final inspection. Final approval of permitted construction projects shall be expressly conditioned upon (i) satisfactory completion of a final inspection by the District, and (ii) receipt by the District of an As-Built Survey (or such other comparable evidence as the District deems acceptable) showing that the construction, improvement, demolition, or replacement has been completed in accordance with the terms of the permit and does not encroach over property lines or setback lines.

15.14 NO CONSTRUCTION, IMPROVEMENT OR REPLACEMENT THAT ENCROACHES OVER DISTRICT PROPERTY OR SETBACK LINES OR IS OTHERWISE NOT IN COMPLIANCE WITH THE TERMS OF THE PERMIT OR THESE RULES, SHALL RECEIVE FINAL APPROVAL FROM THE DISTRICT. Any such noncompliance that remains uncorrected after notice from the District shall constitute a default under these Rules, the terms of the Lessee's lease, the Contractor Registry, and the Commercial Work Permit, if applicable, and may result in the imposition of an administrative penalty, the forced removal of non-compliant Improvements at Lessee's sole expense, and termination of Lessee's leasehold interest, in addition to any other remedies available to the District. Upon notification by the District, Lessee shall have thirty (30) calendar days to remove any noncompliant Improvements.

15.15 New residential structures and new/added Finished Areas must be designed and constructed to be elevated so that: (i) the finished floor elevation at the lowest location is elevated to or above 385.50 ft. m.s.l.; and (ii) the pile or column foundation and the structure attached thereto is anchored to resist flotation, collapse, and lateral movement due to the combined effects of wind and water loads acting simultaneously on all building components.

15.16 For any new residential structures and new/added Finished Areas for which any portion of the footprint is located within the 385.50 ft. m.s.l. ground-elevation contour, Lessee shall, at the Lessee's sole expense, engage a registered professional engineer or architect to develop or review the structural design, specifications, and plans for the structural foundation construction, and shall certify that the design and methods of construction to be used are in accordance with accepted standards of practice. Residential structures not conforming to the minimum floor slab elevation requirement of 385.50 ft. m.s.l. may have Repairs or Improvements, so long as there is no increase of Finished Areas. Any addition of Finished Areas must conform to all rules herein.

15.17 Detached garages, gazebos, storage buildings, decks, and patios (or similar structures) are permitted to be constructed in whole or in part at any elevation. However, all materials, fixtures, and assets positioned at or below 385.50 ft. m.s.l. shall be able to withstand periodic temporary inundation of flood waters. Elevated decks and patios must be designed and constructed to remain intact, in place, and must be supported to resist flood loads. Attached decks must be supported on piles, posts, or columns embedded into the ground and capable of surviving anticipated erosion and scour.

15.18 The space below the lowest floor is required to be designed and constructed to withstand wave action and convey flood flows without causing collapse, displacement, or other structural damage to the elevated portion of the building or supporting foundation system. Such enclosed space shall be useable solely for parking of vehicles, building access, or storage. All materials, fixtures, and assets located in these areas must be able to withstand periodic temporary inundation of flood waters. Any enclosed areas below the lowest floor must not be used for habitable or recreational purposes. Access stairs and ramps that are attached to or beneath an elevated building must remain unenclosed.

15.19 All mechanical, HVAC, electrical, and plumbing equipment and fixtures are required to be able to withstand periodic temporary inundation of flood waters or be elevated at or above an elevation of 385.50 ft. m.s.l. The elements should be located on the sides of piles and columns that are opposite from the anticipated direction of wave approach, where possible.

15.20 All Improvements shall be designed and constructed so as to minimize any interference with the access to or use of another Lessee's Leased Property.

15.21 No Improvements shall be constructed on or over any portion of an OSSF.

15.22 Setback Lines. All construction on District Property shall be subject to the following minimum setback lines:

(a) Fifteen feet (15') along the boundary of residential lots with any public street.

(b) Five feet (5') along the interior boundary lines of all non-corner residential lots.

(c) Ten feet (10') from the lakeside property line or the normal lake elevation shoreline (whichever is further inland) on waterfront lots.

15.23 On-Water Facilities.

(a) Boat and jet ski lifts are required to maintain a minimum 16.00 ft. and 12.00 ft. Internal Range, respectively, as measured by the distance from the lowest lift obstruction to the normal pool water surface elevation inside the Cradle Area. Structures permitted as a jet ski lift with shortened Internal Range requirements cannot be converted to a boat lift without permitted structural modifications to meet the heightened Internal Range.

(b) Alternative jet ski lifts, including dock-mounted or drive-on (floating dock) lifts shall not be located under covered areas, unless they meet the internal range requirement under 15.23(a). Drive-on (floating dock) jet ski lifts shall maintain tethered functional floatation at a water surface elevation of 385.50 feet above mean sea level or greater. Dock mounted lifts must have functional capacity to 385.50 feet above m.s.l..

(c) The floor deck of any On-Water Facility shall be no less than 24 inches above elevation 378.00 feet m.s.l.

(d) No On-Water Facility constructed on District Property shall exceed a total combined length of forty feet (40'), inclusive of all porches, decks, and other attachments or protrusions. Notwithstanding the foregoing length restriction, all On-Water Facilities on the Lake shall be limited in length so as to maintain a clear channel of at least forty feet (40') between:

(1) the most Lake-ward edge of such On-Water Facility, and

(2) the closer of:

(i) the nearest Improvement on the opposite shoreline, or
(ii) the opposite shoreline itself, such channel to be located as nearly as possible over the deepest portion of that section of the Lake.

(e) No On-Water Facility constructed on District Property shall exceed a total of two thousand (2,000) square feet of covered area, with the total area not exceeding three thousand (3,000) square feet; except that Floating On-Water Facilities conforming to the Rules are excluded from the total allowable area.

(f) No On-Water Facility constructed on District Property shall exceed one (1) story. Notwithstanding the foregoing, a flat deck area may be permitted on the roof; provided, however, that the total height of all structures (including parapets, handrails, or any other architectural feature) shall not exceed twenty-five feet (25') above 378 feet m.s.l.

(g) An On-Water Facility may not be the primary structure on a lot and shall only be constructed on a lot containing an existing single-family residence. Only a single (1) fixed On-Water Facility is allowed per lot.

(h) Every Boathouse on District Property shall have an identifying tag affixed to it in a location designated by the District so as to maximize visibility from the water. The District shall provide such identifying tags free of charge and the Lessee upon whose Leased Property the Boathouse is located shall be responsible for installing and maintaining the identifying tag in the specified location.

(i) No On-Water Facility containing bathroom facilities (e.g., toilet, bathtub, shower or [except as specifically provided in Section 15.29 below] sink) shall be allowed on District Property.

(j) All materials used in the construction of On-Water Facilities on District Property must be approved by the District prior to construction.

(k) Flotation-type docks and deck mounted lifts shall not be exempt from the permit requirements of these Rules and must be anchored securely.

(l) All materials, fixtures, and assets shall be able to withstand periodic temporary flooding inundation.

(m) On-Water Facilities will not contain Finished Areas, as defined herein. Screened-in porches and sun-rooms with exterior-grade ceiling fans and/or heaters are allowed on On-Water Facilities.

(n) On-Water Facilities must be designed, constructed, and maintained in a structurally sound manner which does not create a safety hazard or environmental concern.

(o) On-Water Facilities may not be situated in a manner that unreasonably interferes or obstructs access to other permitted facilities, neighboring properties or District Property or District facilities.

(p) All On-Water Facility electrical components (e.g. wire, outlets, fixtures, motors, etc.) must be installed above an elevation of 385.5 feet above mean sea level. Submersible electrical components are allowed at any elevation.

(q) A single fully enclosed storage area for each On-Water Facility is allowed, but such storage area may not exceed 144 square feet.

(r) Property owner is advised to have a licensed electrician, electrical inspector, or other professional with expertise in electrical installations to inspect all electrical components to ensure that the installation meets all requirements specified by federal, state, and local regulations.

(s) Floating On-Water Facilities shall maintain tethered functional floatation at a water surface elevation of 385.50 feet above mean sea level or greater.

(t) All boats lifted and stored in Boathouses shall be restricted, by tie (rope, chain, chord, etc.), or by obstruction (bar, pole, post, etc.), from floating outside of the Boathouse perimeter. All smaller watercraft (jet skis, paddle boats, kayaks, canoes, etc.) shall be similarly secured from floating untethered.

(u) If residential property remains unoccupied for a period extending more than three (3) days, boats stored in On-Water Facilities shall be lifted and kept at their maximum height. Additionally, boats containing bimini tops, wakeboard/speaker towers, or any other obstructions that would prevent the boat from rising as high as possible in the boat slip must be lowered or such obstructions removed before the boat is lifted.

(v) The District reserves the right, in its sole discretion, to further restrict On-Water Facilities on the Lake, if placement of the On-Water Facility: creates a hazard to navigation; results in a nuisance; impairs the District's ability to operate and maintain the Lake; or interferes with or restricts access to adjacent properties or other Boathouses. Due to the unique nature of Boathouses, such facilities shall be evaluated on a case by case basis and the District reserves the right to establish appropriate restrictions, limitations, and requirements.

(w) A Permit shall be required whenever painting, staining, or other similar procedures are to be performed on any On-Water Facility extending out over the Lake. For all painting, staining and other similar procedures performed on On-Water Facilities, the following conditions shall apply:

(i) Beginning on June 15, 2026, all paint, stain, or other substance to be applied on the On-Water Facility shall be water-based (or non-petroleum-based) only and any petroleum-based or oil-based paint, stain, or other substance is strictly prohibited, except as otherwise specifically provided in this Section 15.23(w).

(ii) The prohibition provided in Section 15.23(w)(i) above does not apply to an On-Water Facility that (A) existed prior to June 15,2026, as evidenced by a final inspection report or other approval from the District verifying completion; and (B) has been previously painted and/or stained with a petroleum-based or oil-based substance prior to June 15,2026, as evidenced by a properly issued Permit or other approval from the District. This Section 15.23(w)(ii) is no longer applicable once the On-Water Facility is reconstructed or substantially remodeled, modified, or altered.

(iii) If the paint, stain, or other substance to be applied to the On-Water Facility is non-petroleum based, no special draping or wrapping of the work area shall be required; provided, however, that the Lessee and/or its contractor shall make the product immediately available to the District upon request for inspection prior to beginning any work.

(iv) If the paint, stain, or other substance is petroleum-based or oil-based but is to be applied to the On-Water Facility with conventional brushes or rollers only (i.e., no spraying), no special draping or wrapping of the work area shall be required; provided, however, that the Lessee and/or its contractor shall make the work area and all equipment, including the petroleum-based or oil-based product, immediately available to the District upon request for inspection prior to beginning any work.

(v) If the paint, stain, or other substance is petroleum-based or oil-based and is to be applied by spraying (whether all or in part), the Lessee shall: (1) cause the work area to be draped or wrapped with protective sheeting so as to minimize the dispersion of any petroleum-based or oil-based product into the Lake or the surrounding environment, and (2) notify the District when draping is complete so that the work area, including all equipment and the petroleum-based or oil-based product, can be inspected prior to beginning any work.

(vi) Upon completion of any painting or staining process (whether or not draping and wrapping is required), the Lessee shall immediately notify the District and make the work area available for a final inspection.

15.24 Boat Ramps.

(a) All boat ramps shall be designed and constructed so as to inhibit erosion.

(b) Boat ramps shall not be exempt from the permit requirements of these Rules; provided, however, there shall be no permit fee charged for construction of a boat ramp that will be made available for public use at no charge. In such case, a sign must be erected adjacent to the boat ramp indicating that it may be used by the public at no charge.

15.25 Swimming Pools. No in-ground swimming pools shall be installed on District Property without a permit. All pool equipment must comply with Rule 15.19, as described above.

15.26 Retaining Walls.

(a) Retaining walls shall be designed and constructed in a manner that improves the shoreline alignment, functionality, and enhances the aesthetics of the Lake. Retaining walls must be designed and constructed in a structurally sound manner which does not create an environmental or safety concern. Any retaining wall must be constructed to a height of 2 feet above normal pool elevation 378 feet m.s.l..

(b) Backfill material used in construction activities below the elevation of 385.0 feet m.s.l. must be reclaimed from the reservoir unless specialized backfill is specified by a registered Texas professional engineer (P.E.). Backfill materials must be obtained from the Lake by adhering to applicable dredging regulations, including those detailed in the Rules below.

(c) Construction activities that disturb soil below conservation pool elevation of the reservoir must employ erosion control practices (silt protection fencing, rock gabions, etc.) to minimize sedimentation reentering the Lake.

(d) Due to the unique nature of lakeside retaining systems, such facilities will be evaluated on a case by case basis and the District reserves the right to establish case-specific regulations and limitations where appropriate.

(e) A Permit shall be required whenever painting, staining or other similar procedures are to be performed on any retaining wall in contact with the Lake water surface. For all painting, staining and other similar procedures performed on retaining walls, the following conditions shall apply:

(i) Beginning on June 15, 2026, all paint, stain, or other substance to be applied on the retaining wall shall be water-based (or non-petroleum-based) only and any petroleum-based or oil-based paint, stain, or other substance is strictly prohibited, except as otherwise specifically provided in this Section 15.26(e).

(ii) The prohibition provided in Section 15.26(e)(i) above does not apply to a retaining wall that (A) existed prior to June 15,2026, as evidenced by a final inspection report or other approval from the District verifying completion; and (B) has been previously painted and/or stained with a petroleum-based or oil-based substance prior to June 15,2026, as evidenced by a properly issued Permit or other approval from the District. This Section 15.26(e)(ii) is no longer applicable once the retaining wall is reconstructed or substantially remodeled, modified, or altered.

(iii) If the paint, stain, or other substance to be applied to the retaining wall is non-petroleum based, it may be applied by spray, brushes or rollers. The Lessee and/or its contractor shall make the product immediately available to the District upon request for inspection prior to beginning any work.

(iv) If the paint, stain, or other substance is petroleum-based or oil-based, it must be applied to the retaining wall with conventional brushes or rollers only (i.e., no spraying); the Lessee and/or its contractor shall make the work area and all equipment, including the petroleum-based or oil-based product, immediately available to the District upon request for inspection prior to beginning any work.

(v) Upon completion of any painting or staining process, the Lessee shall immediately notify the District and make the work area available for a final inspection.

15.27 Dredging.

(a) No dredging, filling, or otherwise altering or reconfiguring the beds of the Lake shall be conducted on District Property without a dredging permit from the District.

(b) Upon requesting a dredging permit, the requesting Lessee must advise the District whether dredged soil is to be spread on the Lessee's lot or hauled off site. No dredged soil or fill material shall be deposited in the Lake. No dredged soil or fill material shall be transported on or across the Lake by any means, including by a work barge.

(c) The holder of a dredging permit shall notify the District to schedule an inspection before the dredging actually occurs. No dredging shall commence prior to such inspection.

(d) The holder of a dredging permit shall notify the District to schedule an inspection upon completion of all permitted dredging.

(e) No dredging is permitted on District Property within six feet (6') of a retaining wall or bulkhead.

(f) Dredging activity must be completed in a way that maintains a mildly sloping lake bottom to prevent the formation of sudden drop-offs.

15.28 Water Pumps.

(a) A Lessee may request a private, limited permit to allow the Lessee to pump and use water from the Lake by making application at the District office. No water shall be pumped or diverted from the Lake except as specifically authorized by the issuance of such permit.

(b) Issuance and renewal of such permits shall be conditioned on payment of an annual fee, which shall be payable in advance each year.

(c) If the District invokes water conservation measures under its approved Drought Contingency Plan, every holder of a water pumping permit shall curtail such water usage as follows:

(i) Mild – Voluntary reduction in water usage.

(ii) Moderate – Nonessential use prohibited, mandatory lawn watering schedule.

(iii) Severe – Suspension of use permit.

(iv) Emergency – As determined by the Manager.

(d) All water pumps must be in compliance with Section 15.19 of the Rules.

15.29 Outdoor Sinks in On-Water Facilities. One (1) outdoor sink may be installed in an On-Water Facility, subject to the following conditions:

(a) Lessee must obtain a construction permit from the District, prior to the installation of a sink (e.g., may be included as part of a permit to construct a new On-Water Facility or remodel an existing On-Water Facility). Prior to receiving a construction permit from the District, the Lessee must obtain written approval for a variance to the Texas Commission on Environmental Quality (TCEQ) rules for such sinks from the Franklin County OSSF authorized agent.

(b) A sink must be designed and constructed in strict compliance with Franklin County OSSF authorized agent's approved plans and specifications for gray-water sinks in On-Water Facilities, a copy of which will be provided to the Lessee upon approval of the permit.

(c) A sink may require the installation of additional OSSF or other disposal facilities on the Leased Property, as determined by the Franklin County OSSF authorized agent.

15.30 Contractor Registry. The District shall establish and maintain a Contractor Registry of all contractors who have performed, or desire to perform, work upon District Property, subject to the following provisions:

(a) The Contractor Registry shall contain the following information with respect to each registered contractor:

(i) Company name

(ii) Names of all principals, officers, and key personnel

(iii) Mailing address

(iv) Telephone number

(v) E-mail address

(vi) Emergency contact information

(vii) Current status (i.e., good standing, default, suspension, etc.)

(viii) Proof of ownership, or authorization to use and operate, any and all equipment used to conduct the Permitted Commercial Activity, including a Vessel.

(b) All information contained in the Contractor Registry, and in any application or other documentation submitted by or on behalf of Contractor, shall be true, correct, and complete as of the date submitted. Contractor has a duty to the District to promptly update information in the Contractor Registry. Contractor shall notify the District within ten (10) days of any change in the information in the Contractor Registry. Failure to provide accurate and up-to-date information in the Contractor Registry or in any application will be considered a violation of District Rules, resulting in termination of existing District permits and the Contractor will no longer be considered in good standing with the District.

(c) Except as provided in Section 15.30(d) below, no contractor shall perform any work on District Property that requires a permit unless such contractor is: (i) listed on the Contractor Registry, (ii) currently in good standing with the District, (iii) and not in default on any Permit issued by the District. No variance from the terms of any District Permit, including a Commercial Work Permit, is allowed without prior written approval from the District.

(d) Notwithstanding the foregoing requirement, any Lessee shall have the right to act as its own contractor for performing work on its own Leased Property (but no other), provided that (i) no other uncured violations exist with respect to such Lessee or the Leased Property, (ii) such Lessee shall comply in all other respects with these Rules in the performance of such work, (iii) such Lessee is not a contractor not in good standing with the District, (iv) any contractors or subcontractors hired by Lessee are in good standing and compliance with the provisions of this Section 15.30, and (v) the District reserves the right to require that certain work on District Property must be performed, reviewed or supervised by a contractor, engineer or architect reasonably acceptable to the District if the District reasonably determines that such work is of a nature or character that performance by the Lessee alone could pose a risk to persons or property or otherwise cause a violation of these Rules.

(e) Any contractor, including the contractor's officers, principals, and key personnel, provided that the contractor or entity of which the contractor is or was an officer or principal of is in good standing with the District, shall be eligible for registration on the Contractor Registry upon filling out the registration form with complete and accurate information and paying the applicable registration fee, initial application fee, and an annual update and renewal fee.

(f) A contractor's inclusion on the Contractor Registry shall not imply any endorsement, recommendation, or preferred status with the District, and no contractor shall advertise or hold itself out to the public as receiving any such endorsement, recommendation or preferred status.

(g) In addition to any other rights and remedies available to District hereunder, including without limitation against the applicable Lessee, any violation of the terms of an applicable permit or these Rules by a contractor in the performance of any work on District Property may be considered a violation of the Contractor Registry and subject the contractor to administrative penalties. .

(h) A contractor will be considered not in good standing for the purposes of the Contractor Registry if the Contractor has any unresolved violations of a District permit or these Rules. A contractor may not obtain any new District permits if the contractor is not in good standing as a registered contractor.

(i) It is the obligation of the Contractor to ensure that, prior to undertaking any work on District Property requiring a Permit, a Permit has been issued and the District has authorized commencement of the work authorized by the Permit. Failure by a Contractor to verify Permit status for a project does not release the Contractor from penalties for violation of the Rules, including penalties for violation of the Contractor Registry.

(j) The District in its sole discretion may assess enhanced penalties and require specific administrative procedures for violations of the Contractor Registry, a Permit, or the Rules, that are a threat to public health and safety or harmful to the Lake.

(k) Penalties assessed for violation of the Contract Registry rules shall be cumulative.

ARTICLE XVI
VARIANCES

16.1 The Manager may from time to time authorize such variance from the terms of any provisions of these Rules as will not be contrary to the public interest, where, owing to special conditions, a literal enforcement of the provisions of such Articles would result in unnecessary hardship and in order that the intent of these Rules shall be observed and substantial justice done.

16.2 Possible grounds for granting a variance shall include, but not be limited to, the following:

(a) A variance from the setback requirements of any lot may be permitted where there are unusual difficulties or unnecessary hardships in complying with such setback requirements due to an irregular shape of such lot, topographical or other conditions.

(b) A variance from the requirements regarding construction or alteration of buildings and Improvements may be permitted where strict compliance would impose unusual difficulties or particular hardship and such variance is in harmony with the general purpose and intent of the regulation.

16.3 The District shall only grant a variance to alleviate some demonstrable and unusual hardship or difficulty so great as to warrant a deviation from the standards established by these Rules, when such deviation would not materially, adversely affect the surrounding property or any facilities owned or maintained by the District. Without limiting the foregoing, the following shall specifically not be grounds for issuance of a variance:

(a) Financial hardship;

(b) Lessee convenience; or

(c) The fact that any other Leased Property or Improvements thereon do not comply with these Rules;

16.4 A written application for variance shall be submitted to the Manager by the requesting Lessee, accompanied by an accurate legal description, maps, site plans, drawings and any other written documentation adequately demonstrating the following:

(a) Certain special conditions and circumstances exist which are peculiar to the land, structure or building involved and which are not generally applicable to other lands, structures or buildings;

(b) The special conditions and circumstances do not result, directly or indirectly, from the acts or omissions of the Lessee;

(c) A strict enforcement of the relevant provision of these Rules would deprive the Lessee of rights commonly enjoyed by other Lessees properties under these Rules;

(d) Granting the variance requested will not confer on the requesting Lessee any special privilege that is denied by these Rules to other lands, structures or buildings;

(e) The governing homeowner's association (if any) does not object to the variance; and

(f) Input in support of the variance from affected adjoining Lessees.

16.5 Upon receipt of a complete variance request meeting all of the requirements of Section 16.4 above, the District shall have a minimum of thirty (30) days to review such request before issuing any approval or denial. No "fast-track" or accelerated procedure exceptions shall be allowed.

16.6 When a properly permitted Improvement encroaches over a boundary line, the District will allow the affected Lessees to execute and record an easement agreement granting a perpetual, exclusive easement over the encroached Leased Property benefiting the encroaching Leased Property to the extent of the encroachment.

16.7 All disputes between two or more Lessees related to property lines, encroachments, or protrusions shall be considered private matters by the District and shall be resolved by such disputing Lessees' obtaining an Improvement Survey, at their sole cost and expense, which accurately depicts the disputed boundary lines and the location of any encroaching or protruding Improvements.

ARTICLE XVII
GRANDFATHERED USES

17.1 Intent. Subject to the provisions hereof, it is the intent of the District to allow Grandfathered Uses to continue under certain conditions until they are removed, but not to encourage their perpetuation. It is further the intent of the District that

a Grandfathered Use shall not be enlarged upon, expanded or extended, or be used as the basis for adding other structures or uses prohibited elsewhere, except as specifically provided herein.

17.2 Grandfathered Use (Except for On-Water Facilities). This Section 17.2 of the Rules is not applicable to On-Water Facilities. A Grandfathered Use may have Repairs, as defined in these Rules. An Improvement, additional Finished Area, or any other material or substantial change may be added to a Grandfathered Use only if the Lessee obtains a Permit from the District for these changes and provided that any changes or Improvements made to a Grandfathered Use must comply in full with these Rules.

17.3 Grandfathered Use (On-Water Facilities). Lessees who own previously permitted On-Water Facilities not conforming to the Rules may conduct Repairs on such On-Water Facilities but shall not allow any Improvement to the On-Water Facilities, per the definitions herein, unless allowed below. The following modifications, where applicable, shall be considered allowed Improvements to an On-Water Facility that meets the definition of a Grandfathered Use:

(i) Handrails or other safety improvements.

(ii) Stairs, overhead walkways, walkways, and ramps for On-Water Facility access.

(iii) Uncovered decking areas.

(iv) Swimming ladders, dock cleats, tie downs, bumpers, slides, diving boards, or other recreational amenities requiring installation.

(v) Storage areas.

(vi) Sinks, fixtures, cabinets, and countertops.

(vii) Cupola/weather vanes or flags.

(viii) Ceiling fans and overhead lighting.

(ix) Screened in areas within existing Covered Areas.

(x) Lift replacement.

ARTICLE XVIII
ENVIRONMENTAL PROTECTION REGULATIONS

18.1 All applicable Environmental Laws, including all rules and regulations established by TCEQ, and all applicable provisions of state and federal law and regulations are incorporated herein by reference and shall be applicable to all District Property.

18.2 Littering is strictly prohibited on all District Property, including the Lake.

18.3 No person shall Manage or Release any Pollutant on District Property except in strict compliance with all local, state and federal laws and regulations.

18.4 Any Release of a Pollutant on District Property shall be immediately reported to the District's office and the Franklin County Sheriff's office, in addition to any required state and federal reporting. Any spill or release of a pollutant must be remediated by a contractor licensed to remediate the Pollutant.

18.5 Dumping or disposing of any kind of trash, construction debris, garbage, refuse or solid waste (e.g., abandoned automobiles, ashes, street cleanings, dead animals, leaves, grass clippings, etc.) on District Property is strictly prohibited. Failure to report the Release or spill of a Pollutant by a Contractor may, in the District's sole discretion, result in enforcement against the Contractor, including but not limited to an immediate suspension and permanent ban from working on the Lake.

18.6 The open burning of any kind of trash, construction debris, garbage, refuse or solid waste materials is strictly prohibited on District Property. Notwithstanding the foregoing, a Lessee may, on such Lessee's own Leased Property, burn leaves, grass cuttings and prunings generated on such Leased Property, unless a ban on outdoor burning is currently in effect.

18.7 In conjunction with the performance of any construction or other activity requiring a permit under these Rules, the use of equipment requiring gasoline, oil or any other petroleum product for its operation is strictly prohibited anywhere within fifty feet (50') of the Lake unless the work area is contained on the water side with properly secured, skirted containment booms. Additionally, containment booms shall be required whenever any such equipment is in use directly over the Lake, whether or not the activity requires a permit hereunder. Whenever containment booms are required under the Rules, the containment booms shall be placed at least fifty feet (50') from all such equipment or any portion thereof. While such equipment is not in use but is parked on District Property, the containment booms shall be placed at least ten feet (10') from all such equipment or any portion thereof. The foregoing rule shall not apply to small equipment for personal (i.e., non-construction, non-commercial) use, including generators, air compressors, lawn mowers, skid loaders, small tractors, small trenchers and other similar yard maintenance equipment, unless such equipment is being used directly over the Lake. Booms are required around commercial work barges even when no equipment is on the barge.

18.8 The District has enacted an aquatic plant management plan. Cutting, harvesting, destroying, spraying or otherwise damaging aquatic vegetation of any kind on District Property is strictly prohibited, except with a permit issued by the District.

18.9 The District participates in an ecosystem restoration program. Moving, damaging, or destroying any planting sites, cages or other protective enclosures on District Property are strictly prohibited.

18.10 No Mining shall be permitted anywhere on District Property; provided, however, that this Rule shall not prohibit any extraction, removal, or stockpiling of earth materials incidental to an approved dredging or construction permit as otherwise provided in Article XV hereof.

18.11 No person, firm or corporation shall drill, construct, operate or maintain a well or any other type of drilling or pumping technology on District Property for the purposes of bringing to the surface of the ground any oil, natural gas or other hydrocarbon or mineral, whether in liquid or gaseous form.

ARTICLE XIX
VIOLATIONS AND PENALTIES

19.1 A violation of these Rules caused by a Lessee, its agents, contractors, heirs or assigns, or occurring on a Lessee's Leased Property shall automatically constitute a default under such Lessee's Lease, which shall entitle the District to exercise any remedy available to it by contract, at law or in equity, including termination of the defaulting Lessee's Lease, forfeiture of leasehold estates, assessment of administrative penalties, and reimbursement for attorney fees.

19.2 A violation of any of these Rules by the holder of a Permit issued by the District shall, in addition to any other rights and remedies of the District hereunder, including the issuance of administrative penalties, subject such permit to immediate suspension, cancellation, or revocation without refund of any fees. A Permittee shall be liable for costs and expenses incurred by the District, including attorneys fees, as a result of a violation of the Rules by a permittee.

19.3 Upon prior notice to a defaulting Lessee or permit holder (as applicable), the District may, but shall not be obligated to, cure a violation of these Rules and assess administrative penalties, in which case the District shall be reimbursed on demand by such defaulting Lessee or permit holder for all expenses incurred in curing such violations, including attorney fees.

19.4 Any Improvement located on District Property that is not in full compliance with these Rules, whether through variance, nonconforming use permit, or otherwise, is subject to forced removal by the District and reimbursement by the Lessee or permit holder, including administrative penalties and attorney fees.

19.5 Each violation of these Rules shall be a Class C misdemeanor under the laws of the State of Texas.

19.6 Each occurrence of a continuing or repeated violation of these Rules shall constitute a separate offense.

19.7 Any peace officer licensed by the State of Texas and having jurisdiction within Franklin County, Texas under the laws of the State of Texas is hereby authorized to enforce the provisions of these Rules.

ARTICLE XX
GENERAL

20.1 These Rules are made by the District for the orderly administration and protection of District Property and shall be enforceable by the District in the exercise of its sole discretion, or any other entities authorized by the law and these Policies.

20.2 The District may make any determination under these Rules in its sole discretion to ensure the protection of the watershed of Lake Cypress Springs and the impoundment of water therein. In determining whether to approve or deny any request or application made to the District under these Rules, including but not limited to construction permits, variances, Nonconforming Use Permits, special event permits, the District may consider any factors it deems relevant to such decision, including but not limited to the standing of the applicant, whether the applicant is currently in default under any other obligations to the District, and the applicant's prior compliance and payment history.

20.3 The water levels in the Lake will not be constant and shall vary depending on the amount of water used and delivered from the Lake, evaporation rates, rainfall amounts, runoff, and other factors beyond the District's control. No party shall have any claim against the District for the maintenance of any particular water level.

20.4 Outdoor burning on District Property is subject to all applicable governmental regulations, including, without limitation, the rules contained in Chapter 111, Subchapter B of the Texas Administrative Code.

20.5 Notwithstanding anything to the contrary contained in these Rules, the District reserves the right to restrict activities and usage or deny approval for any permit that would otherwise be allowed hereunder, in order to preserve, protect and maintain the integrity, value and sustainability of the Lake, the District Property, and the Improvements located thereon.