

DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS

KINGS COVE SUBDIVISION

THE STATE OF TEXAS §
§
COUNTY OF COMAL §

KNOW ALL MEN BY THESE PRESENTS:

THAT this Declaration is made on the date hereinafter set forth by THE L.A.B. GROUP, L.L.P. (hereinafter referred to as Declarant).

WITNESSETH:

WHEREAS, Declarant owns the real property described on Exhibit "A" attached hereto (the "Property") which Declarant proposes to develop and subdivide as KINGS COVE SUBDIVISION (the "Subdivision"); and

WHEREAS, Declarant has or will file a plat of the Subdivision in the Map and Plat Records of Comal County, Texas, dividing the Property into Tracts, roads and other Common Areas and facilities tracts; and

WHEREAS, it is deemed to be in the best interests of Declarant and any other persons who may purchase Tracts in the Subdivision, that there be established and maintained a uniform plan for the improvement and development of the Subdivision as a highly restricted and modern subdivision of the highest quality;

NOW, THEREFORE, Declarant hereby declares that the Property is to be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the Subdivision. These easements, covenants, restrictions and conditions run with the Property and are binding upon all parties having or acquiring any right, title, or interest in the Property or any part thereof, their heirs, successors and assigns, and inure to the benefit of each Owner thereof.

ARTICLE I

Definitions

1.01 "Association" means and refers to KINGS COVE OWNERS ASSOCIATION, INC., a Texas non-profit corporation, its successors and assigns.

1.02 "Common Area" means and refers to that portion of the Subdivision, owned or acquired by the Association for the common use and enjoyment of the Members of the Association and includes all recreational facilities, community facilities, entry facilities, storage facilities, landscaping, sprinkler systems, roads and streets and other such facilities for the common benefit of Owners. Neither the well site tract nor the landscape easements reflected on the plat of the Subdivision are part of the Common Area.

1.03 "Declarant" means and refers to THE L.A.B. GROUP, L.L.P., its successors and assigns.

1.04 "Purchaser" means and refers to an individual who purchases a Tract.

1.05 "Tract" means and refers to any of the numbered plots of land shown on the recorded map or plat of the Subdivision other than Common Area. "Corner Tract" is a Tract that abuts on more than one street. A Corner Tract is deemed to front on the street designated by the Architectural Committee.

1.06 "Living Unit" means and refers to any improvements on a Tract which are designated and intended for occupancy and use as a residence by one person, by a single family, or by persons living together as a single housekeeping unit.

1.07 "Member" means and refers to every person or entity who holds a membership in the Association.

1.08 "Owner" means and refers to the record owner, whether one or more persons or entities, of fee simple title to a Tract, but excluding those having such interest merely as security for the performance of an obligation.

1.09 "Mortgagee" means and refers to a person or entity which has loaned or advanced money to an Owner or to Declarant for the purchase or improvement of a Tract or other property in the Subdivision and has taken a recorded lien on such property to evidence the security for such loan.

ARTICLE II

Property Rights

2.01 Owner's Easement of Access and Enjoyment: Every Owner has an easement of access and a right and easement of enjoyment in and to Common Areas and such easement is appurtenant to and passes with the title to every Tract, subject to the following provisions:

- (a) The right of the Association to charge reasonable admission and other fees for the use of any recreational facilities situated on the Common Area;
- (b) The right of the Association to suspend a Member's voting rights and right to use the recreational and other facilities owned or operated by the Association, for any period during which any assessment against his Tract or any other sum due the Association by him remains unpaid; and for a period not to exceed thirty (30) days for any infraction of its published rules and regulations;
- (c) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members; and,
- (d) The right of the Association to limit the number of guests of Members.

2.02 Delegation of Use: Any Owner may delegate in accordance with the Bylaws of the Association, his right of enjoyment to the Common Area and facilities to members of his family, or his tenants, who reside on the Tract owned by him. If a residence is leased, then only the lessee has the use of the Common Area. The Declarant, for each Tract owned within the Subdivision, hereby covenants, and each Owner of any Tract, by acceptance of a Deed therefor, whether it is expressed in the Deed or other evidence of the conveyance, is deemed to covenant that any lease executed on a Tract will be in writing and contain provisions binding any lessee thereunder to the terms of this Declaration of Covenants, Conditions and Restrictions and any rules and regulations published by the Association applicable to the Tract and further providing that non-compliance with these terms of the lease will be a default thereunder.

2.03 Title to the Common Area: The Common Area remains undivided and at all times is or will be owned or controlled by the Association or by its successors, it being agreed that this provision is necessary in order to preserve the rights of the Owners with

respect to the operation and management of the Common Area. Notwithstanding the above, the Declarant reserves the right to grant, convey, dedicate or reserve easements over, on or under the Common Area for utility services.

2.04 Neighborhood Watch. The Association will establish a neighborhood watch program to the end that the persons who live in the Subdivision may be informed about recognition of signs of criminal activity.

ARTICLE III

Membership and Voting Rights

3.01 Membership: Every Owner of a fee or undivided fee interest in a Tract holds a membership in the Association. The foregoing is not intended to include persons or entities who hold an interest in a Tract merely as security for the performance of an obligation. Membership is appurtenant to and may not be separated from ownership of a Tract, except as to a lessee. Ownership of a Tract is the sole qualification for membership, except as to a lessee. Any Mortgagee who acquires title to any Tract through judicial or non-judicial foreclosure, will be a Member of the Association.

3.02 Voting Rights: There are two classes of membership entitled to voting rights in the Association as follows:

(a) Class A: All Members in the Association, other than Declarant, are considered Class A Members, and for each Tract owned are entitled to one vote on each matter coming before the Members at any meeting or otherwise, unless their voting rights have been suspended by the Board of Directors as hereinabove provided in Article II, Section 1(b). When a particular Tract is owned by more than one individual or entity, all the individuals or entities holding an ownership interest in that Tract are considered Class A Members, however, for the particular Tract they are entitled to a total of no more than one vote on each matter coming before the Members at any meeting or otherwise. The vote for such Tract is to be exercised as they among themselves determine.

(b) Class B: Class B Members are those individuals or entities who are herein defined as Declarant (including the original partners or joint venturers individually comprising Declarant), and for each Tract owned they are entitled to five votes on each matter coming before the Members at any meeting or otherwise. When a particular Tract is owned by more than one such individual or entity, all such

individuals or entities holding an ownership interest in that Tract will be Class B Members, however, for that particular Tract they are entitled to a total of no more than five votes on each matter coming before the Members at any meeting or otherwise. The five votes for such Tract are to be exercised as they among themselves determine. In the event a Tract owned by a Class B Member is sold to an Owner who would be classified as a Class A Member, the Class B membership ceases as to such Tract, and the Owner automatically is entitled to one vote for such Tract as a Class A member. All Class B memberships cease and automatically convert into Class A memberships on the happening of either of the following events, whichever occurs earlier:

- (i) When the total number of votes entitled to be cast by the Class A Members at any meeting of the Members or otherwise equals the total number of votes entitled to be cast by the Class B Members; or
- (ii) Ten (10) years from the date this Declaration of Covenants, Conditions and Restrictions is filed with the County Clerk of Comal County, Texas, for recordation in the Deed Records of Comal County, Texas.

ARTICLE IV

Covenant for Maintenance Assessment

4.01 Creation of the Lien and Personal Obligation for Assessments: The Declarant, for each Tract within the Subdivision which is or thereafter becomes subject to the assessments hereinafter provided for, hereby covenants, and each Owner of any tract which is or thereafter becomes assessable, by acceptance of a Deed therefor, whether or not it is expressed in the Deed or other evidence or the conveyance, is deemed to covenant and agree to pay the Association the following:

- (a) Annual assessments or charges;
- (b) Special assessments for capital improvements; and
- (c) Any other sums to the extent they are specifically provided for elsewhere in the instrument.

Such assessments or charges are to be fixed, established and collected as hereinafter provided. These charges and assessments, together with such interest thereon and cost of

collection thereof, as hereinafter provided, constitute a charge on the land and are secured by a continuing vendor's lien upon the Tract against which such assessments or charges are made. Each such assessment or charge, together with such interest, costs, and reasonable attorney's fees are and remain the personal obligation of the individual or individuals who owned the particular Tract at the time the assessment or charge fell due notwithstanding any subsequent transfer of title to such Tract.

4.02 Purpose of Assessments: The assessments levied by the Association are to be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents of the Subdivision. Without limiting the foregoing, the total assessments accumulated by the Association, insofar as the same may be sufficient, will be applied toward the payment of all taxes, insurance premiums, repair, maintenance and acquisition expenses incurred by the Association, and at the option of the Board of Directors of the Association, for any or all of the following purposes: lighting, improving and maintaining streets, paths, parks, parkways, and esplanades in the Subdivision; collecting and disposing of garbage, ashes, rubbish and materials of a similar nature; payment of legal and all other expenses incurred in connection with the collection, enforcement and administration of all assessments and charges and in connection with enforcement of this Declaration of Covenants, Conditions and Restrictions; employing policemen or watchmen and/or a security service; fogging and furnishing other general insecticide services; acquiring and maintaining any amenities or recreational facilities that may be operated in whole or in part for the benefit of the Owners; repayment of debt (principal and interest) incurred by the Association to acquire, repair, maintain or improve the Common Area or facilities situated thereon; and doing any other thing necessary or desirable in the opinion of the Board of Directors of the Association to keep and maintain the property in the Subdivision in neat and good order, or which it considers of general benefit to the Owners or occupants of the Subdivision, including the establishment and maintenance of a reserve for repair, maintenance, taxes, insurance, and other charges as specified herein. Such funds may also be used to repair, maintain and restore abandoned or neglected residences and Tracts as hereinafter provided. It is understood that the judgment of the Board of Directors of the Association in establishing annual assessments, special assessments and other charges and in the expenditure of said funds is final and conclusive so long as said judgment is reasonable and exercised in good faith.

4.03 Annual Assessments: Annual assessments are due and payable in advance on January 1 of each year as provided herein. The initial annual assessment is \$240.00. On January 1, 1997, the annual assessment will be \$300.00. Assessments for 1998 and subsequent years will be set by the Board of Directors on or before November 30 of each year (beginning in 1997). Unpaid assessments will become delinquent on March 1 of the

year for which assessed. The annual assessment with respect to each Tract commences upon the first sale of that Tract by Declarant. If the sale occurs effective other than January 1, the purchaser of the Tract must pay to the Association at closing the prorata assessment from the date of purchase to January 1 of the following year.

4.04 Special Assessments for Capital Improvements: In addition to the annual assessment authorized above, the Association may levy a special assessment for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, or unexpected repair or replacement of a particular capital improvement located upon Common Areas, including the necessary fixtures and personal property related thereto. The Board of Directors of the Association must call a meeting of the Members for the purpose of voting on such special assessment. The amount and time and manner of payment of such assessment shall be established by a vote of the Members holding at least two-thirds of all membership votes entitled to be cast. Notice of special assessment must be mailed to each Owner at the address shown in the records of the Association.

4.05 Notice of Quorum for any Action Authorized Under Sections 3 and 4: Written notice of any meeting of the Members of the Association called for the purpose of taking any action authorized under Section 4.03 or 4.04 of this Article must be sent to all Members not less than ten (10) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of the Members holding twenty percent (20%) of all membership votes entitled to be cast or their proxies constitutes a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirements and the required quorum at the subsequent meeting will be 1/2 of the required quorum at the preceding meeting. In lieu of such a meeting and notice, the Association may obtain the required approval of the Members by having such Members sign written authorizations of action under Sections 4.03 and 4.04 and containing a waiver of notice and meeting.

4.06 Rates of Assessment: Both annual and special assessments apply to all Tracts, except those owned by the Declarant, and must be fixed at uniform rates.

4.07 Certification as to Payment of Assessments: The Association, upon demand, and for a reasonable charge, must furnish a certificate concerning the status of payment of annual or special assessments. A properly executed certificate issued by the Association is binding upon the Association as of the date of issuance with respect to the matters set out therein.

4.08 Effect of Nonpayment of Assessments; Remedies of the Association: Any assessments or charges which are not paid when due are delinquent. If an annual assessment is not paid by March 1 of the year in which it is due or if any other assessment or charge is not paid within thirty (30) days after the due date, it bears interest from the due date at the rate of eighteen percent (18%) per annum (or the maximum non-usurious rate, whichever is less), and the Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien herein retained against the Tract. Interest, court costs and reasonable attorney's fees incurred in any such action may be added to the amount of such assessment or charge. Each Owner, by his acceptance of a Deed to a Tract, hereby expressly vests in the Association or its agents, the right and power to bring all actions against such Owner personally for the collection of such assessments and charges as a debt and to enforce the aforesaid lien by all methods available for the enforcement of such liens, including foreclosure by an action brought in the name of the Association in a like manner as a non-judicial foreclosure on real property covered by the then current State Bar of Texas deed of trust promulgated form, and such Owner expressly grants to the Association a power of sale and non-judicial foreclosure in connection with said lien, with any one of the current officers of the Association serving as the trustee empowered to conduct the sale. Alternatively, the Association may resort to other legal and equitable relief with respect to enforcement of the liens securing the payment of assessments as may be provided by applicable law, including suit for judicial foreclosure. No Owner may waive or otherwise avoid liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Tract.

4.09 Subordination of Lien to Mortgages: As hereinabove provided, the title to each Tract is subject to the vendor's lien securing the payment of all assessments and charges due the Association, but this vendor's lien is subordinate to any valid purchase money lien or mortgage created for improvements covering a Tract. Sale or transfer of any Tract does not affect this vendor's lien. Provided, however, a sale pursuant to a foreclosure of a valid purchase money or improvement mortgage extinguishes the liens securing any unpaid assessments to the date of such sale, and the purchaser at such sale is thereafter the Owner liable for all assessments from and after the date of such foreclosure sale. No extinguishment of the assessment liens relieves the defaulting Owner from personal liability for payment of such assessments.

In addition to the automatic subordination provided hereinabove, the Association, in the discretion of its Board of Directors, may subordinate the lien securing any assessment provided for herein to any other mortgage, lien or encumbrance, subject to such limitations, if any, as such Board may determine, in its absolute discretion.

4.10 **Exempt Property:** All properties dedicated to and accepted by a local public authority, the well site tract, and all properties owned by Declarant or the Association are exempt from the assessments and charges created hereby. Tracts owned by any individual venturers of Declarant are subject to the same assessments and charges as Tracts owned by other Owners.

ARTICLE V

Insurance

The Association, through the Board of Directors, or its duly authorized agent, has the authority (but not the obligation) to obtain the following types of insurance policies:

- (a) Property insurance covering the Common Area and all improvements thereon in an amount equal to the full replacement value of the improvements and facilities located upon the Common Area and owned by the Association (including all building service equipment and the like) with an "agreed amount endorsement" or its equivalent, a "demolition endorsement" or its equivalent, and, if necessary, an "increased cost of construction endorsement" or "contingent liability from operation of building laws endorsement" or the equivalent, affording protection against loss or damage by fire and other hazards covered by the standard extended coverage endorsement in Texas, and by sprinkler leakage, debris removal, cost of demolition, vandalism, malicious mischief, windstorm, and water damage, and any such other risk as is customarily covered with respect to projects similar in construction, location and use;
- (b) A comprehensive policy of public liability insurance covering all of the Common Area and insuring the Association, within such limits as it may consider acceptable (but with coverage of not less than \$1,000,000 for all claims for personal injury and/or property damage arising out of a single occurrence); such coverage to include protection against water damage liability, liability for property of others, and any other coverage the Association deems prudent and which is customarily carried with respect to projects similar in construction, location, and use; and
- (c) A policy of fidelity coverage to protect against dishonest acts on the part of officers, directors, trustees, and employees of the Association and all others who handle, or are responsible for handling funds of the Association; such fidelity bonds to be of the kind and in an amount the Association deems necessary for the protection of the Owners.

Premiums for all such insurance policies carried by the Association are a common expense payable by assessments on Tracts. Liability and property insurance for Tracts and the contents of residences are the responsibility of each individual Owner. All proceeds from policies held by the Association will be deposited in a bank or other financial institution, the accounts of which bank or institution are insured by a federal governmental agency, with the provision agreed to by said bank or institution that such funds may be withdrawn by an agent duly authorized by the Board of Directors. In no event will the insurance company or the bank or other financial institution holding proceeds on a policy issued in the name of the Association be authorized to distribute any proceeds therefrom to the Declarant. Proceeds from such policies may be used by the Association only for the benefit of its Members and where such proceeds arise out of an occurrence in which a building or improvement owned by the Association is damaged or destroyed, they shall be used to repair, restore and rebuild such building or improvements. In the event the insurance proceeds are determined to be insufficient to pay all costs of repairing and/or rebuilding said improvements to their original condition, the Association may levy a special assessment for capital improvements against all Owners to make up the deficiency. This may be done only after compliance with all the requirements for imposition of special assessments.

ARTICLE VI

Permitted Uses and Restrictions

TRACT USE: Except as otherwise provided herein, Tracts must be used solely for single family residential purposes. The term "Residential Purposes", as used herein, excludes duplexes, or any other type of multi-family dwelling. No Tract may be used for more than one residence, and its outbuildings. An Owner who has constructed a primary Living Unit on his Tract is permitted to erect not more than one structure on each Tract which may be used for guests or servants quarters, provided such quarters must not be let, rented or leased separately from the primary Living Unit or otherwise used for commercial or business purposes. Any such structure for guest or servants quarters must be constructed in accordance with the standards established by the Architectural Committee. No Tract may be used or occupied for trade or business of any kind. The well site tract may be improved with a storage building, as well as facilities used for the water system which serves the Subdivision. All improvements on the well site tract must be approved by the Architectural Committee. The well site tract may be used for storage and maintenance purposes as well as for water system purposes.

EXISTING STRUCTURES: No existing structure may be moved onto a Tract, and all improvements erected thereon must be of a permanent type, character and construction. No building constructed elsewhere may be moved on any Tract.

SET-BACK LINES: Improvements on all Tracts must be set back from property lines as reflected on the recorded plat of the Subdivision. Declarant reserves the right to increase the set-back lines with respect to any Tract owned by Declarant by filing an instrument to that effect in the Real Property Records of Comal County, Texas.

For the purpose of this covenant, eaves and steps are not considered as part of the building; provided, however, that there must be a minimum of ten (10) feet between edges of overhangs of structures on adjacent Tracts and provided that this provision may not be construed to permit any encroachment on another Tract or on a street. The maximum area of a Tract which may be used for buildings must not exceed forty percent (40%) of the total area of the Tract. Building area includes the total ground area of each building and accessory building but does not include the area of uncovered entrance platforms, terraces and steps, patios, sidewalks and pools.

MINIMUM LIVING AREA:

A. **Non-Waterfront Tracts:** The minimum floor living area of the main structure of any Living Unit, exclusive of porches, terraces, garages and detached accessory buildings, is 1900 square feet of heated living area. The minimum ground floor living area of one and one-half story and two-story residences, exclusive of porches, terraces, garages and detached accessory buildings, is 1,000 square feet of heated living area.

B. **Waterfront Tracts:** The minimum floor living area of the main structure of any Living Unit, exclusive of porches, terraces, garages and detached accessory buildings, is 2,300 square feet of heated living area. The minimum ground floor living area of one and one-half story and two-story residences, exclusive of porches, terraces, garages and detached accessory buildings, is 1,200 square feet of heated living area.

ARCHITECTURAL COMMITTEE: There is herewith created an Architectural Committee, hereinafter referred to as the Committee, and is composed of H. DWAIN BROWN, STANLEY AULT and ED LONGCOPE. A majority of the Committee may designate a representative to act for it. In the event of death or resignation of any member of the Committee, the remaining members have full authority to designate a successor. At any time after September 1, 2000, the Owners holding 51% of the membership votes entitled

to be cast may change the membership of the Committee or withdraw or restore to the Committee any powers and duties.

APPROVAL OF PLANS: No building may be erected, placed or altered on any Tract until the construction plans and specifications, plat showing the location of the structure and the landscaping plan, have been approved by the Architectural Committee as to harmony of external design with existing structures, and as to location with respect to topography and finish grade elevation. The Committee's approval or disapproval required in these covenants must be in writing. A final inspection upon completion of construction may be required to insure compliance with plans and specifications as submitted to the Architectural Committee. In the event the Committee or its designated representative fails to approve or disapprove the plans and specifications in writing within twenty-one (21) days after working drawings and written detailed specifications have been submitted to it, or in any event, if no suit to enjoin the construction has been commenced prior to the completion thereof, approval will be deemed to have been given and there is deemed to have been compliance with these restrictions. It is the general purpose of the Committee to provide for the maintenance of high standards of architecture and construction in such a manner as to enhance the aesthetic purposes of the improvements to the Subdivision. The Committee is guided by and controlled by this Declaration except when in their sole discretion good planning would dictate to the contrary.

NON-LIABILITY OF COMMITTEE MEMBERS: Neither the Committee, nor any member thereof, nor the Board nor any member thereof, shall be liable to the Association or to any Owner or to any other person for any loss, damage or injury arising out of their being in any way connected with the performance of the Committee's or the Board's respective duties under this Declaration unless due to the willful misconduct or bad faith of the Committee or its member or the Board or its member, as the case may be. Neither the Committee nor the members thereof shall be liable to any Owner due to the construction of any Improvement within the Property or the creation thereby of an obstruction to the view from such Owner's Tract or Tracts. The Committee does not warrant that any improvements conform to the submitted plans and specifications therefor or that the improvements are safe or habitable. No Owner may rely on Committee inspections with respect to the quality or condition of any improvements constructed within the Subdivision.

ANIMALS AND PETS: No poultry, livestock, snakes, or other animals of any kind shall ever be raised, kept, bred, or harbored on any portion of the Subdivision, except that dogs, cats, or other common household pets (not including any members of the swine family and not to exceed a total of two (2) adult animals) may be kept, provided that they are not kept or maintained for any commercial purposes and provided further that such common

household pets must at all times, except when they are confined within the boundaries of a private single-family residence or Tract upon which same is located, be restrained or controlled by a lease, rope, or similar restraint or a basket, cage, or other containment device. An adult animal is defined, for the purposes of this section, as any animal older than six months. No owner will intentionally feed deer or entice them into the Subdivision.

DISPOSAL OF GARBAGE AND TRASH; VEGETATION CONTROL: No Tract may be used or maintained as a dumping ground. No rubbish, trash, garbage or any other waste, may be kept except in tightly covered sanitary containers, and except as necessary for the purposes of effecting garbage pickup, said containers must be kept in an area on the back portion of the Tract out of sight. Equipment for the storage or disposal of such materials must be kept in a clean sanitary condition. No trash, ashes or other refuse may be thrown or dumped on any vacant Tract.

Except as provided herein, grass, weeds and vegetation on each Tract must be mowed regularly and drainage areas over and across any part of a Tract must be kept clean and open so as to maintain the same in a neat and attractive manner. Areas within the landscape easements reflected on the plat of the Subdivision may be maintained in its natural state, subject to the provisions of the paragraph labelled Nuisances. Dead trees, shrubs, vines and plants must be removed within a reasonable time from any Tract. It is the sole responsibility of the Owner to maintain his Tract in a manner described above from the date of purchase of such Tract. If the Owner fails to maintain the Tract as described above, the Association may have the grass, weeds and vegetation cut when and as often as the same is necessary in its judgment and may have dead trees, shrubs and plants removed; and the Owner of such Tract will be obligated to reimburse the Association for the cost of such work plus interest at eighteen percent (18%) per annum, and such cost may be assessed and declared a lien on the affected Tract or Tracts.

SIGNS: No signs, banners, or pennants of any kind shall be displayed to the public view on any Tract except one (1) professional sign of not more than six (6) square feet advertising the property for sale or rent. However, signs used by the Declarant or builders to advertise Tracts or homes within the Subdivision during the construction and sales period are permitted. Signs advertising subcontractors or suppliers are specifically prohibited. "For Sale" or "For Rent" signs may state only the name and phone number of the seller/landlord and/or his agent. The Architectural Committee has control over all the wording, design, appearance, size, quantity, and location of all signs. Except for sale or rental signs adhering to the standards of this section, all signs within the Subdivision may not be erected or placed without the prior written approval of the Architectural Committee.

DRILLING AND MINING: No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind is permitted upon or in any Tract, nor are oil wells, tanks, tunnels, mining excavations or shafts permitted upon or in any Tract.

GARAGE: At the time of the erection of a residence on any Tract, a garage sufficient to store a minimum of two (2) cars must be erected thereon. The exterior materials for the garage must be the same as used on the residence. Garages attached to residences may be converted to living areas provided that sufficient driveway space in side yards remains, as is elsewhere provided for herein, and that an additional garage sufficient to store a minimum of two (2) cars is built in compliance with these restrictions within three (3) months after such conversion, all to be subject to the written approval of the Architectural Committee.

OBSTRUCTION OF VIEW: No fence, wall, hedge or shrub planting which obstructs sight lines may be placed or permitted to remain on any corner Tract within the triangular area formed by the street property lines, and a line connecting them at points twenty-five (25) feet from the intersection of the street property lines extended. The same sight line limitations apply on any Tract within ten (10) feet from the intersection of a street property line with the edge of a driveway. No trees or other vegetation are permitted to remain within such distance of such intersection unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines. No improvements on Tract 1 and Tracts 8 through and including Tract 29 in Block 2 may be erected where the top line of the roof of the structure is seventeen (17) feet higher than the highest point of that Tract. Improvements on Tracts 2 through and including Tract 7 in Block 2 must be erected so the top line of the structure is at least two (2) feet below the front property line of the Tract.

EASEMENTS: Easements for installation and maintenance of utilities and drainage facilities and for a greenbelt are reserved as shown on the recorded plat of the Subdivision. The greenbelt easement is denominated as "landscape easement" on the plat. No structure may be erected within such easements and no fence shall be constructed across any such utility easement without the permission of the affected utility providers; provided that when an Owner owns adjoining Tracts, improvements may be constructed on the reserved utility easements on the abutting property lines, with the approval of the Architectural Committee and no replat consolidating the adjoining Tracts should be required. No fence or other improvements may be constructed within the landscape easement.

EXTERIOR WALLS: The exterior walls on all residences must be of brick, stone, rock or stucco. No asbestos siding can be used on the exterior walls. The exterior walls (exclusive of window areas and doors) of any structure on any Tract must be at least eighty percent

80%) masonry; however, in the case of one and one-half story, two story or split-level dwellings, part of which is two story, the outer walls of the upper story thereof may be exempted from the above masonry requirements, provided that the plans and materials specified for such upper story outer walls have been approved by the Architectural Committee.

ROOFING MATERIALS: Roofing materials for all improvements constructed on Tracts are subject to the approval of the Architectural Committee. The surface of all roofs of principal and secondary structures including garages and domestic living quarters shall be composed of ceramic or concrete tile, metal (battened seams), or textured composition shingle (240 pound minimum), or such material as approved by the Architectural Committee.

NUISANCES. No noxious or offensive activity may be carried on upon any Tract, nor anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood. No Owner or occupant may perform any work that will impair the structural soundness or integrity of another Living Unit or impair any easement or hereditament, nor do any act nor allow any condition to exist which will adversely affect the other Living Units or their Owners or residents. No exterior lighting of any sort may be installed or maintained on a Tract where the light source is offensive or a nuisance to neighboring property in the Subdivision (except reasonable security or landscape lighting that has approval of the Architectural Committee). No exterior speakers, horns, whistles, bells or other sound devices (except security devices such as entry door and patio intercoms used exclusively to protect the Tract and improvements situated thereon) may be placed or used upon any Tract.

HUNTING; FIREARMS; FIREWORKS. The discharge of any fireworks or firearms and the hunting or killing of any animal on any Tract within any part of the the Subdivision is prohibited, except for the 12.047 acre tract reflected as Reserve "A" on the plat of the Subdivision. Additionally, there is prohibited within any Tract the use of any bow and arrow, slingshot, or other launching or catapulting device except strictly within the confines of an individual Owner's Tract.

VEHICLES; TENTS; BOATS. No trailer, motor home, tent, boat, recreational vehicle, travel trailer, any truck larger than a one ton pick-up, or any wrecked, junked or wholly inoperable vehicle may be kept, parked, stored, or maintained on any portion of the front yard of a Tract in front of the building line of the permanent structure nor be kept, parked, stored or maintained on any other portion of a Tract or street for a period of more than forty-eight (48) hours unless it is in an approved enclosed structure or in an approved

screened area which prevents the view thereof from adjacent Tracts and streets. No dismantling, repair or assembling of an auto, trailer, motor home, tent, boat, recreational vehicle, travel trailer, any truck or other machinery or equipment is permitted in any street, driveway or yard adjacent to a street.

MOBILE HOMES: No mobile homes or manufactured housing unit are permitted on any Tract, either temporarily or permanently. No structure of a temporary character, trailer, tent, shack, garage, barn or other out-building may be used on any Tract at any time as a residence, either temporarily, or permanently.

TERMINATION OF COVENANTS: These covenants are to run with the land and are binding on all parties and all persons claiming under them for a period of twenty-five (25) years from the date these covenants are recorded, unless changed in whole or in part by an instrument signed by a majority of the then owners of the Tracts, after which time such covenants are automatically extended for successive periods of ten (10) years unless an instrument signed by a majority of the then owners of Tracts have been recorded, agreeing to change said covenants in whole or in part. These Covenants or any provision hereof or any covenant, condition or restriction contained herein may be modified, amended, terminated or extended with the written consent of the owners of seventy-five percent (75%) of the Tracts; provided, however, that so long as the Declarant owns at least five percent (5%) of the Tracts within the Subdivision, no such amendment, modification, termination or extension is effective without the written approval of Declarant. No such modification, amendment, termination or extension is effective until a proper instrument in writing has been executed and acknowledged and filed for record in the Real Property Records of Comal County, Texas.

MAINTENANCE OF TRACTS: Except as otherwise permitted hereby, all Tracts must be maintained in a neat, tidy and trim condition at all times, whether or not improved. The Owner and lessee of any Tract within the Subdivision has the responsibility of keeping the premises, buildings, improvements, appurtenances and landscaping in a well maintained, safe, clean and attractive condition at all times. If, in the opinion of the Association, any such Owner or lessee fails in his duty and responsibility of maintenance, the Association may give such Owner or lessee, or both, notice of such fact, and thereupon such Owner or lessee, must within ten (10) days of such notice, undertake the care and maintenance required to restore said Owner's or lessee's property to a safe, clean and attractive condition. Should any such Owner or lessee fail to fulfill this duty and responsibility after such notice, the Association has the right and power to perform such care and maintenance and the Owner and the lessee, if any, of the property upon which said maintenance work is performed, and such Owner and Lessee are liable for the cost of such work and must promptly reimburse

the Association for the cost thereof. Entry by the Association, its agents or employees upon the property of the Owner or lessee and all action taken thereupon in connection with the care and maintenance of such property are not deemed a trespass and all claims for damages by reason thereof are hereby expressly waived. If any Owner or lessee fails to reimburse the Association within thirty (30) days after being billed for the services herein set forth, then the cost of such services are a debt of such Owner and the lessee, if any, payable to the Association and secured by a lien against such Owner's and lessee's interest in said property. If any legal or equitable proceeding for the collection of any such debt are instituted, the losing party or parties must pay the attorney's fees of the prevailing party or parties in such amount as may be fixed by the court in such proceedings. The Owner or occupant, as the case may be, agrees by the purchase or occupation of any Tract in this Subdivision to pay such amounts immediately upon receipt thereof. All remedies provided herein or at law or in equity are cumulative and not exclusive.

RIGHT TO ENFORCE: Enforcement of these Covenants is by proceedings at law or in equity against any person or persons violating or attempting to violate any covenants, either to restrain or to recover damages.

DRIVEWAYS: All driveways in the Subdivision must be constructed of reinforced concrete dowelled into existing curb, washed gravel finish, brick pavers, or other materials as approved by the Architectural Committee.

VIOLATION OF RESTRICTIONS AND COVENANTS: If any person or persons violate or attempt to violate any of the restrictions and covenants herein, it is lawful for any other person or persons owning any real property situated in the Subdivision or the Association to prosecute proceedings at law or in equity against the person violating or attempting to violate any such restriction and covenant and either prevent him or them from doing so, or to correct such violation, or to recover damages or other dues for such violation. Failure to enforce any covenant or restriction herein contained in no event is deemed a waiver of the right to do so thereafter against any person who has violated a covenant or expressed an intent to violate a covenant or is in the process of violating a covenant. Invalidation of any one or any part of these restrictions by judgment or Court order in no way affects any of the other provisions or part of provisions which remain in full force and effect.

MAILBOXES: Mailboxes are under the control of the Architectural Committee to the extent same are located upon any Tract or upon any Common Area.

REMODELING OF RESIDENCES: Remodeling of a residence must comply with these restrictions and may be performed only with the written approval of the Architectural

Committee.

COMPLETION OF BUILDINGS: All buildings must be completed not later than nine (9) months after laying foundation.

FENCES OR WALLS: No fence, wall, hedge or shrub used as fencing, may be constructed or placed or used on any Tract closer to any street than the minimum setback lines, unless approved by the Architectural Committee, nor in any event without the written approval of the U.S. Corps of Engineers if placed on land subject to a flowage easement for Canyon Lake reservoir. No fence may be constructed in, on or across the landscape easement reflected on the plat of the Subdivision. Fences must be constructed of masonry, wood, or metal or combination thereof, subject to approval of the Architectural Committee. No chain link fencing is permitted. Fence material and height are under the control of the Architectural Committee. No fence may exceed six feet (6') in height except as provided herein. Privacy fences around swimming pools may be no more than seven feet (7') in height. All fences must conform to the paragraph labelled **Obstruction of View**. The following provisions are also applicable to the Tracts indicated:

- A. Tracts 1 through 6 in Block 1 and Tracts 8 and 9 and 30 through 39 in Block 2 of the Subdivision may have privacy fences. Those privacy fences must be constructed of first grade cedar, redwood, cypress or pressure treated wood, the screening material, either 1" x 4" or 1" x 6" in dimension, constructed on the side property lines and connected to the Living Unit constructed on the fenced Tract. Front yards may be fenced, provided front yard fences are constructed on the front property setback line and permit sight-through.
- * B. Tracts 1 through 7 and 10 through 29 in Block 2 may have privacy fences only around patio areas and swimming pools, subject to approval of the Architectural Committee. Side fences must be constructed of wrought iron or other metal fencing materials on not less than 2" diameter pipe standards, all as approved by the Architectural Committee, with the end to prevent obstruction of lake view to the extent reasonably possible.

BUILDING HEIGHT: No building may exceed the lesser of two and one-half (2-1/2) stories, or thirty-five (35) feet in height, and all buildings must conform to the provisions of the paragraph labelled **OBSTRUCTION OF VIEW**.

ENCLOSURE OF FOUNDATION: The foundation of any structure must be closed at the perimeter with masonry construction which is in harmony with the remainder of the main

dwelling.

WATER WELLS: No water well may be drilled on any Tract without consent of Declarant and the Association so long as a central water supply system is available to serve the Tract.

SEWER SYSTEM: On the date hereof, septic tanks approved by the applicable governmental authorities must be used on all Tracts. At any time that a commercial or public sewer line gathering system is made available to any Tract, each Owner of Tracts containing residences must cause his residence to be connected to such gathering system and agrees to pay the then normal and customary and appropriate connection fees and charges. Portable toilets of a commercial character may be inconspicuously located during period of construction for the convenience of the workers performing the work.

UTILITY SERVICE LINE: All service lines for utilities, (water, electricity, telephone, cable television, etc.) will be installed underground with cover meeting at least the minimum standards of the most strict utility purveyor and no above-surface utility wires or lines may be installed on any Tract.

YARD LIGHTING: Residences constructed on all Tracts are required, upon completion, to place near the street serving the Tract a decorative electric yard light or lights at Owner's expense. The type, location, and elevation of the light must be approved by the Architectural Committee. All lights must be controlled by a light sensitive switch. Each yard light and light sensitive switch for same must be maintained by the Owner in a manner so that the light burns all night. All exterior lighting is subject to the provisions of the paragraph labelled Nuisances.

STORAGE OF MATERIAL: Except during periods of construction of improvements on a Tract, all tools, landscaping instruments, household effects, machinery or machinery parts, trailers, containers, boxes, bags, trash or other materials or other items, when not in use, must be secured or stored in an enclosure and out of the public view. Trash for collection must be placed in enclosed sanitary containers at the street right-of-way on collection days for a period not to exceed twelve (12) hours prior to scheduled pickup.

FUEL STORAGE: Tanks used for the storage of gases or liquids for fuel must be buried underground, if permitted by applicable law.

TREES: No trees may be cut on any Tract except to provide room for construction of buildings or to remove dead or unsightly trees. All tree trimming or removal must be accomplished at such times and using such methods so as to prevent the spread of oak wilt.

RADIO OR TELEVISION ANTENNAE: No radio or television aerial wires or antennae are permitted on any portion of any Tract. This prohibition includes any derricks or antennas of any nature mounted on, in, or around the dwelling or the Tract upon which the dwelling is situated or free-standing.

SATELLITE DISHES: No satellite radio or television discs or dishes or similar signal receiving devices employed for the purpose of collection and magnifying radio-electronic waves from space satellite facilities which emanate or reflect television or radio programming are permitted on any Tract except with the advance written permission of the Architectural Committee and the adequate screening thereof from view. Each application for permission to the Architectural Committee must include a detailed plan depicting pertinent dimensions of the device, its proposed location and the owner's plan for screening the device from view.

ROOF EQUIPMENT: No air conditioner, heat pumps, evaporative cooler or any other heating or cooling system or components thereof, or any other object deemed unsightly in the opinion of the Architectural Committee, may be placed, kept or maintained on the roof of any building except and unless the same is concealed from view and is not otherwise aesthetically objectionable, and all subject to the approval of the Committee. No plumbing vents are allowed on exposed front roof structures.

LANDSCAPING: All open, unpaved space within a Tract must be landscaped and maintained in a manner deemed appropriate by the Architectural Committee. All landscaping, mailboxes, sidewalks, driveways, lighting and other exterior features which are open to public view must be harmonious and in keeping with the overall character and aesthetics of the Subdivision. To this end, all plans therefore must be submitted to and approved by the Architectural Committee prior to the construction, installation or placement of such improvements. Approved landscaping must be completed not less than six (6) months following completion of the residence on a Tract. The Owner may apply for an extension of this time frame on account of weather or other delays occasioned through no fault of the Owner. At least 30% of the open, unpaved front yard of each Tract must be sodded with grass. The variety and type of grass must be approved by the Architectural Committee.

BUILDING MATERIAL: For the purposes of these covenants, when construction material is specified herein, another material may be used in lieu thereof, provided that such substituted material is determined by the Architectural Committee to be of equivalent or better quality than the specified material.