



(2) The Property Owners Association shall have the right and authority to: (i) issue rules and regulations applicable to any common facilities and any common areas owned by the Property Owners Association within the Subdivision; (ii) own, operate or maintain central water and central sewer systems and set rates and fees for connection and use thereof; (iii) collect sewage and water connection and use fees if the Property Owners Association owns or operates any central sewer or water system, (iv) collect maintenance fees, late charges, interest (at the highest permitted lawful rate) and all other costs and expenses permitted by law; (v) implement a process involving lien rights and remedies to better secure the appropriate observance of these restrictive covenants and the rules and regulations; (vi) permit the usage of lots for streets, parking areas, uses normally associated with the customary development of a subdivision and uses hereon mandated, directed or encouraged by government authorities having jurisdiction over the Subdivision; and (vii) exercise such other rights granted it under, and in accordance with, the Articles of Incorporation and Bylaws of the Association.

(3) The Property Owners Association shall appoint an Architectural Control Committee (hereinafter called "the Committee"), composed of one or more individuals. The Committee shall function as the representative of the owners of lots in the Subdivision to provide for and assist in maintenance, preservation and architectural control of the Subdivision. A majority of the Committee may designate a representative to act for it. No improvement or structure of any nature shall be erected, placed or altered on any lot until the construction plans, specifications and a plot plan (showing the location of such improvements on the lot) have been submitted to and approved by the Committee. If the Committee, or its designated representative, fails to approve or disapprove such plans and specifications within thirty (30) days after actual receipt of such plans, then Committee approval shall be presumed.

## II. RESTRICTIONS

(1) All lots in the Subdivision shall be used, known and described as single-family residential lots only and no duplexes, apartments or other multi-family dwellings, structures or uses shall be permitted except on such lots as have been or may be set aside by Developer or the Property Owners Association solely for use as amenities, common areas, roads and as may otherwise be required for the development of the Subdivision.

(2) No commercial activity or use shall be conducted on or from any lot within the Subdivision; provided, however, that the sale or resale of lots in the Subdivision, the use of lots for drill sites or the use of lots for utility services shall not be considered to be commercial activity. No lots may be resubdivided in any fashion except that any person owning two or more adjoining lots may consolidate such lots into one building site, with the right of constructing improvements as otherwise permitted in these Covenants and Restrictions.

(3) Each residential dwelling constructed on lots 1-9, 22-52, 54-63, and 76-78 in the Subdivision shall contain a minimum of one thousand six hundred (1,600) square feet of covered floor area exclusive of all porches, patios, garages or breezeways attached to the main dwelling. All

residential dwellings constructed on any other lot in the Subdivision shall contain a minimum of one thousand seven hundred (1700) square feet of covered floor area, exclusive of all porches, patios, garages or breezeways attached to the main dwelling. No residential dwelling or structure on any lot shall exceed two (2) stories in height. The outside wall of each residential dwelling constructed on the lots in the Subdivision shall consist of not less than sixty (60%) percent masonry construction,( 75% residential dwelling on those lots visible from the golf course, including the front, back and all sides)consisting of brick, ledgestone, fieldstone, native types of stone veneer, and stucco (no EIFS system, however) or synthetic stone, subject, however, to prior approval by the Committee. Within ninety (90) days of the Final Building Inspection of a residential dwelling on a lot, the lot Owner shall landscape and cover the soil with mulch, grass, vegetation and/or shrubbery of a monetary cost equal to two percent (2%) of the construction cost of the residential dwelling. Prior to landscaping, the lot Owner agrees to provide the Committee with a copy of the Landscape Plan and cost breakdown of the Plan. In the event weather conditions prevent completion of the landscaping within the required time period, additional time may be granted by the Committee. All residential dwelling constructed on the lots in the Subdivision must provide for a minimum two (2) car garage, side by side, and a minimum roof pitch of 6:12,( 8:12, if residential dwelling is 1800 square feet or less) including the garage, if the same is attached. No attached garage door opening may exceed twelve feet (12') in height from the finished floor elevation to the header. Carports are not permitted on any lot.

(4) No mobile homes, modular homes, prefabricated structures or improvements containing metal or asbestos exterior siding or metal, tarpaper or roll-type exterior or flat roofs shall be permitted on any lot within the Subdivision. All improvements must be constructed "on-site" and all construction must be of new materials, except stone, brick, inside structural material or other materials used for decorative effect, provided, such use is approved in writing by the Committee.

(5) Detached garages, storage sheds, gazebos, swimming pools and other similar structures may be constructed on a Lot, subject, however, to (i) the restrictions of Article II, paragraphs (3) & (4) of the Covenants, where applicable, (ii) contain not less than sixty percent (60%) masonry if larger than one hundred and fifty (150) square feet, and (iii) only if a residential dwelling is located on such Lot or is under construction thereon. Swimming pools must be enclosed by a fence, subject, however, to the restrictions of Article II, Paragraph (10) of the Covenants. Storage sheds must be constructed of wood and match the color of the residential dwelling as close as possible. Metal, plastic and vinyl sheds are prohibited. Roof shingles must match the house roof in color and roof pitch must be a minimum 4:12. Overhead doors on approved storage buildings or similar structures are strictly prohibited. No garage may exceed twelve (12') feet in height from ground level to the top of the ceiling joists. No garage, approved storage building or similar structure shall have an opening or aperture visible from the golf course.

(6) No outside toilet, individual septic system or privy shall be erected or maintained on the lots in the Subdivision. Sewage collection and disposal is provided by a central sewer system servicing all lots in the Subdivision. No structure may be used as a residential dwelling on the lots (either temporary or permanent) without first being connected to the central sewer system.

(7) No individual wells may be drilled on any lot for the purpose of providing potable water. Potable water is supplied by a central water system serving all lots in the Subdivision. No structure may be used as a residential dwelling (either temporary or permanent) without first being connected to the central water system.

(8) Driveways shall be required on improved lots and shall be constructed of a permanent wearing surface. Culverts for driveways on all lots shall be mandatory and shall be at least twelve (12') feet in length and twelve (12") inches in diameter, with a concrete headwall on both ends of the culvert. Greater dimensions may be required by the Committee to meet specific drainage requirements. The headwall shall extend six (6") inches above the culvert, eighteen (18") inches diagonally on either side of the culvert and have a thickness of at least eight (8") inches. Gravel driveways or parking areas are strictly prohibited.

(9) Except as hereafter provided, no improvements shall be constructed on any lot within twenty-five (25') feet of the front lot lines, within ten (10') feet of the rear lot lines, and within ten (10') feet of the side lot lines. On the lots specifically listed in Section II, paragraph (3) hereof, no improvements shall be constructed thereon within fifteen (15') feet of the front lot lines, within ten (10') feet of the rear lot lines, and within five (5') feet of the side lot lines. Fences may be constructed on the lot lines. No improvements shall be constructed within twenty (20') feet of any power lines except that fences may be constructed within ten (10') feet of such power lines.

(10) Fences may be constructed on a Lot only with approval of the Committee, may not create a safety hazard or create a sight-line hazard at any street intersection and may not be closer to the front Lot line than the front of the residential dwelling. Chain link, cable or wire fences or other similar type fences are prohibited. Privacy fences to enclose personal items are only permitted (i) on the rear portion of a Lot containing a residential dwelling provided the privacy fence is not more than seven (7) feet high, encloses an area no greater than three hundred (300) square feet and is attached to a residential dwelling, or (ii) with consent of the Committee because a Lot abuts a Recreational Facility other than a golf course or because the fence would unreasonably affect an adjoining property owners view. All fences erected on Lots that abut a lake shall be of a uniform design and must be constructed in accordance with the specific standards required by the Committee. Fences that abut a golf course must be constructed of black wrought iron with black posts. If columns are used on fences on Lots that abut a golf course, the columns must be constructed of white limestone. All fences shall be completed within two (2) months from the commencement date thereof.

Notwithstanding the above, fences which serve to confine horses and which face any street from lots 1 through 41 and lots 650 through 767 of the White Bluff Subdivision and Lots 1 through 77 of the White Bluff Thirty-six Subdivision, must be constructed of (i) four-plank wood mounted on four (4") inch square posts, or (ii) composite or metal pipe mounted on metal posts. All fences shall be painted white shall not be set more than ten (10') feet apart. Fences on the above listed lots not facing any street may be constructed of three-plank wood or strand. Barbed wire fences are prohibited. Gates for fences must be constructed of new galvanized metal or steel or wood. Gate posts shall be eight (8") inches in diameter and set in concrete. Fences on Lots which permit the confinement of horses, may be constructed along all lot lines; including the front lot line.

(11) Personal entrances from any road outside the boundaries of the Subdivision to any lot within the Subdivision are prohibited. Subdivision perimeter fences may not be cut or removed by any party except by Developer or the Property Owners Association.

(12) Any improvement (other than fences) commenced upon a lot shall be completed, as to exterior finish and appearance, within eight (8) months from the commencement date.

(13) No recreational vehicle, bus or other vehicle, temporary structure, tent, shack, barn, storage building or other out-building shall be used on any lot at any time as a residence, either temporary or permanent.

(14) There is reserved for Developer, the Property Owners Association, and their assigns, a ten (10') foot wide utility and drainage easement along the front and rear lot lines of each lot in the Subdivision and a five (5') foot utility and drainage easement along the side lot lines of each lot within the Subdivision for the installation and maintenance of utilities and drainage facilities. Within these easements, no structure shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities or which may change, obstruct or retard the flow of water through drainage channels in such easements. No utility company or other authorized entity using the easements herein referred to shall be liable for any damage done by them or their assigns, agents, employees, or servants to shrubbery, trees, or flowers, or to other property of the lot owner situated within any such easement. The easement area of each lot shall be maintained by the owner of the lot, except for those improvements for which a public authority or utility company assumes responsibility.

(15) Central mail receipt facilities shall be installed at the entry to the Subdivision by the U.S. Post Office. No individual mailboxes shall be permitted on any lot in the Subdivision.

(16) No noxious or offensive activity shall be conducted or engaged in which is or may become a nuisance to other lot owners within the Subdivision. Without limiting the generability of the foregoing provision, devices emitting excessive noise, noisy or smoky vehicles, and devices which interfere with television or radio reception of any lot owner shall be considered offensive activities.

(17) Each lot shall be kept and maintained in a neat and orderly condition, with weeds, grass and/or unsightly growth properly controlled. No trash or refuse shall be allowed to accumulate and remain upon any lot within the Subdivision. Trash shall be kept only in sanitary containers located in appropriate areas screened or concealed from public view. Propane tanks are permitted only if enclosed and not visible to the public. In the event any lot is not properly maintained, or cleaned up within (30) days after receipt of written notice of a violation hereunder, the Property Owners Association may clean up such lot or hire outside services to do so and charge the lot owner for such services, which charges, however, shall be reasonable and customarily charged in the area for comparable services. Unpaid fees shall become a charge and lien upon such lot.

(18) No farm animals will be allowed within the Subdivision. Household pets shall be permitted provided they are not kept, bred or maintained for commercial purposes. No pet shall be allowed to roam free. When out-of-doors, pets must be either (i) fenced in, (ii) kept in a humane enclosure, approved by the Committee, or (iii) kept on a leash. No pet shall be kept within the Subdivision which creates a public nuisance or otherwise not in compliance with this Section 18 and any such pet determined by the POA to be such a nuisance and/or not in compliance shall be removed therefrom (a) by the owner, within five (5) days of receipt of notice from the POA or (b) by the POA, immediately if the owner of the pet is unknown.

(19) No ground fires shall be built or maintained on any lot. Burning of trash within the Subdivision is prohibited.

(20) No camping shall be permitted on any lot, except such lots or tracts which may, from time to time, be set aside by Developer or the Property Owners' Association, if any, as courtesy camping areas for the benefit of all lot owners.

(21) No sign of any kind shall be displayed to the public view on any lot without the prior written approval of the Committee. Under no circumstances and in no event will any sign be permitted on the rear of lots adjoining or abutting the golf course.

(22) Discharging of firearms or fireworks within the Subdivision is prohibited.

(23) No hunting shall be permitted within the Subdivision.

(24) Fishing from ponds within the Subdivision is permitted only from common areas along Subdivision ponds.

(25) Parking on the streets within the Subdivision (temporarily or permanently) is prohibited. All vehicles must be parked on each owner's lot; provided that, trucks in excess of one (1) ton, damaged, wrecked or inoperable cars, buses, machinery, equipment, trailers in excess of eighteen (18) feet, airplanes, lumber, supplies or other materials may not be stored on a lot (temporarily or permanently).

(26) Recreational vehicles not in excess of (18) eighteen feet and boats may be kept on any lot, provided, (i) any such lot has a residential dwelling, (ii) the recreational vehicle and/or boat is kept only within the back one-half of the lot or in back of the mid-way point of the residential dwelling located on the lot, whichever is further from the front of the lot and (iii) the recreational vehicle and/or boat is enclosed within an approved privacy fence and out of sight.

(27) All posted traffic signs within the Subdivision must be obeyed. Violations of any posted traffic sign will subject violators to a fine in an amount commensurate with the severity and/or repetitive nature of the offense.

(28) Any dwelling, garage, permitted storage building or similar structure on any Lot

which may be destroyed in whole or part by fire, windstorm or for any other cause or act of God, must be rebuilt in accordance with the current rules and regulations of the ACC and the requirements of this Declaration, or all debris removed and the Lot restored to a sightly condition with reasonable promptness, provided, however, that in no event shall debris remain longer than three (3) months. Should an Owner not conform to this provision, the Association is entitled to accomplish necessary repairs, reconstruction or clean-up according to its best judgment, and levy an assessment upon the Owner for any and all costs of repairs, reconstruction or clean-up.

### III. COMPLIANCE WITH PROVISIONS OF DECLARATION, BYLAWS AND RULES AND REGULATIONS

(1) Each property owner shall comply strictly with the provisions of these Covenants and Restrictions, the Declarations, the Bylaws and the rules, regulations and decisions of the Property Owners Association, adopted pursuant thereto and as the same may be amended from time to time. Failure and refusal after written notice to comply with any of the same shall be grounds for (i) imposing fines, (ii) suspending voting rights or rights to use common areas and recreational facilities, or (iii) an action to recover sums due for damages or injunctive relief or both, and for reimbursement of all costs and attorney's fees incurred in connection therewith and interest on all of such amounts at the highest lawful rate. Enforcement of these Covenants and Restrictions may be by any person or persons owning a lot, by the Property Owners Association (through any of its members) or by the Developer, against any person or persons violating or attempting to violate any covenant or restriction herein contained. Failure of the Property Owners Association, Committee, Developer, or any owner to enforce any covenant or restriction herein contained shall in no event be deemed as a waiver of the right to do so thereafter.

(2) The Property Owners Association may levy a fine in an amount commensurate with the severity of the offense, as determined by the Property Owners Association in its sole and absolute discretion, against any owner who is determined by the Property Owners Association to be in violation of any of these restrictive covenants. The owner shall be notified in writing of the determination of the Property Owners Association and the nature of the violation and shall be given ten (10) days from date of notification within which to correct such violation(s) or establish to the Committee's satisfaction that no violation exists. If the violation is not corrected within said ten (10) day period, the fine shall be assessed against the owner beginning with the date of notification and shall accrue until such correction. The imposition of a fine may result in a lien against the lot and/or suspension of rights to use the common areas and/or recreational facilities.

(3) Each and every owner covenants and promises to pay to the Property Owners Association, when due, any and all dues, fines, charges and fees assessed by the Property Owners Association. Any dues, fines, charges and/or fees not paid within fifteen (15) days of their due date shall be in default and shall be subject to a late fee of ten dollars (\$10.00) or such other or additional amounts as may be set by the Property Owners Association and permitted by applicable law. Each and every owner covenants and agrees that the Property Owners Association and its successors and assigns shall have a lien upon their lot(s) to secure the payment of any dues and fees and any reasonable court costs and attorneys' fees incurred in connection with the collection of same, and

such lien shall be evidenced by the filing of a statement by the Property Owners Association in the Public Records of Hill County, Texas. Such lien shall be and is subordinate and inferior only to assessments, liens and charges in favor of the State of Texas and any political subdivision thereof for taxes past due and unpaid on the lot; and amounts due under any first lien deed of trust duly recorded prior to the recordation of any lien assessment as provided herein.

(4) If any assessment or any part thereof is not paid on the date(s) when due, then the unpaid amount of such assessment shall be considered delinquent and shall, together with interest thereon at the rate per annum set by the Property Owners Association, not to exceed the maximum rate allowed by law, and costs of collection thereof, thereupon becoming a continuing debt secured by a self-executing lien on the lot of the non-paying owner which shall bind such lot in the hands of the owner, his heirs, executors, devisees, personal representatives and assigns. The Property Owners Association shall have the right to reject partial payments of an assessment and demand the full payment thereof. The personal obligation of the then-existing owner to pay such assessment, however, shall remain his personal obligation and shall not pass to his successors in title unless expressly assumed by them. However, the lien for unpaid assessments shall be unaffected by the sale or assignment of a lot and shall continue in full force and effect. No owner may waive or otherwise escape liability for the assessment provided herein by abandonment of his or her lot.

(5) In the event of default in payment of any dues, fine, charge, levy, assessment or interest thereon in accordance with the terms hereof, the Property Owners Association may elect to sell such lot pursuant to Section 51.002 of the Texas Property Code, or any applicable successor legislation thereto. Each owner by accepting title to a lot hereby grants to the Property Owners Association, whether or not it is so expressed in the deed or other instrument conveying such lot to owner, a private power of nonjudicial sale to be exercised in accordance with Texas Property Code Ann. 51.002 (Vernon 1984), as it may be amended. The Board of Directors may appoint, from time to time, any person including an officer, agent, trustee, substitute trustee, or attorney, to exercise the Property Owners Association's lien rights on behalf of the Property Owners Association, including the power of sale. The appointment must be in writing and may be in the form of a resolution recorded in the minutes of a Board of Director's meeting.

(6) No sale, transfer, lease or disposition of any lot in the subdivision shall be consummated unless and until the name, current address, current phone number and social security or tax identification number of the purchaser or transferee has been provided to the Association. The original owner of such lot shall remain liable for all fees and assessments hereunder until the new owner's name is entered into the Property Owners Association's records.

(7) Violation of, or failure to comply with, the Covenants and Restrictions shall not affect the validity of any mortgage, bona fide lien or other similar security instrument which may be then existing on the lot. Invalidation of any one of the covenants or restrictions contained herein, or any portion thereof, by a judgment or court order shall not affect any of the other covenants or restrictions herein contained, which shall remain in full force and effect. In the event any portion of these Covenants and Restrictions, as amended, conflicts with mandatory provisions of any ordinance

or regulation, promulgated by any governmental agency which may have jurisdiction over the Subdivision, then such governmental requirement shall control. Any deed or legal instrument (except deeds of trust, mortgages or other similar security agreements) purporting to convey, transfer or assign any interest in a lot shall contain appropriate language to expressly subject the land within such conveyance, transfer or assignment to these covenants and restrictions.

(8) These Covenants and Restrictions herein shall constitute covenants running with the land and shall be binding upon all persons and entities acquiring any lot, whether by purchase, descent, devise, gift or otherwise, and each person or entity, by the acceptance of title to a lot, shall thereby agree and covenant to abide by and perform all of the covenants and restrictions set forth herein.

(9) The power to amend the Covenants and Restrictions is retained by Developer.

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(11) Personal entrances from any road outside the boundaries of the Subdivision to any lot within the Subdivision are prohibited. Subdivision perimeter fences may not be cut or removed by any party except by Developer or the Property Owners Association.

(12) Any improvement (other than fences) commenced upon a lot shall be completed, as to exterior finish and appearance, within eight (8) months from the commencement date.

(13) No recreational vehicle, bus or other vehicle, temporary structure, tent, shack, barn, storage building or other out-building shall be used on any lot at any time as a residence, either temporary or permanent.

(14) There is reserved for Developer, the Property Owners Association, and their assigns, a ten (10') foot wide utility and drainage easement along the front and rear lot lines of each lot in the Subdivision and a five (5') foot utility and drainage easement along the side lot lines of each lot within the Subdivision for the installation and maintenance of utilities and drainage facilities. Within these easements, no structure shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities or which may change, obstruct or retard the flow of water through drainage channels in such easements. No utility company or other authorized entity using the easements herein referred to shall be liable for any damage done by them or their assigns, agents, employees, or servants to shrubbery, trees, or flowers, or to other property of the lot owner situated within any such easement. The easement area of each lot shall be maintained by the owner of the lot, except for those improvements for which a public authority or utility company assumes responsibility.

(15) Central mail receipt facilities shall be installed at the entry to the Subdivision by the U.S. Post Office. No individual mailboxes shall be permitted on any lot in the Subdivision.

(16) No noxious or offensive activity shall be conducted or engaged in which is or may become a nuisance to other lot owners within the Subdivision. Without limiting the generability of the foregoing provision, devices emitting excessive noise, noisy or smoky vehicles, and devices which interfere with television or radio reception of any lot owner shall be considered offensive activities.

(17) Each lot shall be kept and maintained in a neat and orderly condition, with weeds, grass and/or unsightly growth properly controlled. No trash or refuse shall be allowed to accumulate and remain upon any lot within the Subdivision. Trash shall be kept only in sanitary containers located in appropriate areas screened or concealed from public view. Propane tanks are permitted only if enclosed and not visible to the public. In the event any lot is not properly maintained, or cleaned up within (30) days after receipt of written notice of a violation hereunder, the Property Owners Association may clean up such lot or hire outside services to do so and charge the lot owner for such services, which charges, however, shall be reasonable and customarily charged in the area for comparable services. Unpaid fees shall become a charge and lien upon such lot.

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(21) No sign of any kind shall be displayed to the public view on any lot without the prior written approval of the Committee. Under no circumstances and in no event will any sign be permitted on the rear of lots adjoining or abutting the golf course.

(22) Discharging of firearms or fireworks within the Subdivision is prohibited.

(23) No hunting shall be permitted within the Subdivision.

(24) Fishing from ponds within the Subdivision is permitted only from common areas along Subdivision ponds.

(25) Parking on the streets within the Subdivision (temporarily or permanently) is prohibited. All vehicles must be parked on each owner's lot; provided that, trucks in excess of one (1) ton, damaged, wrecked or inoperable cars, buses, machinery, equipment, trailers in excess of eighteen (18) feet, airplanes, lumber, supplies or other materials may not be stored on a lot (temporarily or permanently).

(26) Recreational vehicles not in excess of (18) eighteen feet and boats may be kept on any lot, provided, (i) any such lot has a residential dwelling, (ii) the recreational vehicle and/or boat is kept only within the back one-half of the lot or in back of the mid-way point of the residential dwelling located on the lot, whichever is further from the front of the lot and (iii) the recreational vehicle and/or boat is enclosed within an approved privacy fence and out of sight.

(27) All posted traffic signs within the Subdivision must be obeyed. Violations of any posted traffic sign will subject violators to a fine in an amount commensurate with the severity and/or repetitive nature of the offense.

(28) Any dwelling, garage, permitted storage building or similar structure on any Lot which may be destroyed in whole or part by fire, windstorm or for any other cause or act of God,

must be rebuilt in accordance with the current rules and regulations of the ACC and the requirements of this Declaration, or all debris removed and the Lot restored to a slightly condition with reasonable promptness, provided, however, that in no event shall debris remain longer than three (3) months. Should an Owner not conform to this provision, the Association is entitled to accomplish necessary repairs, reconstruction or clean-up according to its best judgment, and levy an assessment upon the Owner for any and all costs of repairs, reconstruction or clean-up.

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(2) The Property Owners Association may levy a fine in an amount commensurate with the severity of the offense, as determined by the Property Owners Association in its sole and absolute discretion, against any owner who is determined by the Property Owners Association to be in violation of any of these restrictive covenants. The owner shall be notified in writing of the determination of the Property Owners Association and the nature of the violation and shall be given ten (10) days from date of notification within which to correct such violation(s) or establish to the Committee's satisfaction that no violation exists. If the violation is not corrected within said ten (10) day period, the fine shall be assessed against the owner beginning with the date of notification and shall accrue until such correction. The imposition of a fine may result in a lien against the lot and/or suspension of rights to use the common areas and/or recreational facilities.

(3) Each and every owner covenants and promises to pay to the Property Owners Association, when due, any and all dues, fines, charges and fees assessed by the Property Owners Association. Any dues, fines, charges and/or fees not paid within fifteen (15) days of their due date shall be in default and shall be subject to a late fee of ten dollars (\$10.00) or such other or additional amounts as may be set by the Property Owners Association and permitted by applicable law. Each and every owner covenants and agrees that the Property Owners Association and its successors and assigns shall have a lien upon their lot(s) to secure the payment of any dues and fees and any reasonable court costs and attorneys' fees incurred in connection with the collection of same, and such lien shall be evidenced by the filing of a statement by the Property Owners Association in the

Public Records of Hill County, Texas. Such lien shall be and is subordinate and inferior only to assessments, liens and charges in favor of the State of Texas and any political subdivision thereof for taxes past due and unpaid on the lot; and amounts due under any first lien deed of trust duly recorded prior to the recordation of any lien assessment as provided herein.

(4) If any assessment or any part thereof is not paid on the date(s) when due, then the unpaid amount of such assessment shall be considered delinquent and shall, together with interest thereon at the rate per annum set by the Property Owners Association, not to exceed the maximum rate allowed by law, and costs of collection thereof, thereupon becoming a continuing debt secured by a self-executing lien on the lot of the non-paying owner which shall bind such lot in the hands of the owner, his heirs, executors, devisees, personal representatives and assigns. The Property Owners Association shall have the right to reject partial payments of an assessment and demand the full payment thereof. The personal obligation of the then-existing owner to pay such assessment, however, shall remain his personal obligation and shall not pass to his successors in title unless expressly assumed by them. However, the lien for unpaid assessments shall be unaffected by the sale or assignment of a lot and shall continue in full force and effect. No owner may waive or otherwise escape liability for the assessment provided herein by abandonment of his or her lot.

(5) In the event of default in payment of any dues, fine, charge, levy, assessment or interest thereon in accordance with the terms hereof, the Property Owners Association may elect to sell such lot pursuant to Section 51.002 of the Texas Property Code, or any applicable successor legislation thereto. Each owner by accepting title to a lot hereby grants to the Property Owners Association, whether or not it is so expressed in the deed or other instrument conveying such lot to owner, a private power of nonjudicial sale to be exercised in accordance with Texas Property Code Ann. 51.002 (Vernon 1984), as it may be amended. The Board of Directors may appoint, from time to time, any person including an officer, agent, trustee, substitute trustee, or attorney, to exercise the Property Owners Association's lien rights on behalf of the Property Owners Association, including the power of sale. The appointment must be in writing and may be in the form of a resolution recorded in the minutes of a Board of Director's meeting.

(6) No sale, transfer, lease or disposition of any lot in the subdivision shall be consummated unless and until the name, current address, current phone number and social security or tax identification number of the purchaser or transferee has been provided to the Association. The original owner of such lot shall remain liable for all fees and assessments hereunder until the new owner's name is entered into the Property Owners Association's records.

(7) Violation of, or failure to comply with, the Covenants and Restrictions shall not affect the validity of any mortgage, bona fide lien or other similar security instrument which may be then existing on the lot. Invalidation of any one of the covenants or restrictions contained herein, or any portion thereof, by a judgment or court order shall not affect any of the other covenants or restrictions herein contained, which shall remain in full force and effect. In the event any portion of these Covenants and Restrictions, as amended, conflicts with mandatory provisions of any ordinance or regulation, promulgated by any governmental agency which may have jurisdiction over the

Subdivision, then such governmental requirement shall control. Any deed or legal instrument (except deeds of trust, mortgages or other similar security agreements) purporting to convey, transfer or assign any interest in a lot shall contain appropriate language to expressly subject the land within such conveyance, transfer or assignment to these covenants and restrictions.

(8) These Covenants and Restrictions herein shall constitute covenants running with the land and shall be binding upon all persons and entities acquiring any lot, whether by purchase, descent, devise, gift or otherwise, and each person or entity, by the acceptance of title to a lot, shall thereby agree and covenant to abide by and perform all of the covenants and restrictions set forth herein.

(10)The power to amend the Covenants and Restrictions is retained by Developer.

November 2007