

SUBDIVISION RESTRICTIONS

Sections A, D, E, F and G
Holiday Villages of Medina Subdivision

1. There shall be established an Architectural Control Committee composed of three (3) members appointed by the undersigned (and/or by designees of the undersigned, from time to time) to protect the owners of lots hereunder against such improper use of lots as will depreciate the value of their property; to preserve, so far as practicable, the natural beauty of said property; to guard against the erection thereon of poorly designed or proportioned structures and structures built of improper or unsuitable materials; to obtain harmonious architectural schemes; to insure the highest and best development of said property; to secure and maintain proper setbacks from streets and adequate free spaces between structures; and, in general, to provide adequately for a high type of quality of improvements in said property; and thereby to enhance the value of investments made by purchasers of lots therein.

2. Subject to the provisions of numbered paragraphs 8 and 9 hereof, all lots hereunder are restricted to use for single family residential purposes only, and no building shall be erected or maintained thereon other than a private residence (minimum floor area of 750 square feet), a tool storage building (minimum floor area of 30 square feet and maximum floor area equal to 25% of the floor area of the residence erected or maintained on such lot), a private garage and a private boathouse for the sole use of the purchaser of such lot. There shall be permitted, on any lot hereunder, a private residential structure (minimum floor area of 100 square feet) if used in conjunction with a HUD-code manufactured home or modular home. The minimum floor area requirements stated hereinabove are exclusive of porches, stoops, open or closed carports, patios and garages. No lot hereunder may be used as a residence or for permanent dwelling use unless a residential structure complying with these restrictions has been placed or constructed on such lot and unless such structure has been connected to sewage disposal facilities complying with all provisions, rules, regulations and requirements of governmental bodies and agencies having jurisdiction.

3. Subject to the provisions of numbered paragraphs 8 and 9 hereof, (i) no used existing building or structure of any kind and no part of a used existing building or structure shall be moved onto, placed on, or permitted to remain on any lot; (ii) all construction must be of new material, except stone, brick, inside structural material, or other materials used for antique decorative effect if such use is approved in writing by the Architectural Control Committee, and (iii) no tar paper type roof or siding materials will be used on any structure, and no sheet metal type of roof or siding materials will be used without written approval of the Architectural Control Committee on any structure, and (iv) the exterior of any building (excluding roof, glass and masonry) must be painted or stained. All buildings and structures shall be completely underpinned and underskirted with no piers or pilings exposed to view except as approved by the Architectural Control Committee. No natural drainage shall be altered, nor shall any drainage ditch, culvert, or drainage structure of any kind be installed or altered, nor shall any driveway, curb or other such impediment to the free flow of water be installed or altered, without prior written consent of the undersigned or the Architectural Control Committee. Culverts for driveways on lots shall be a minimum of twenty feet (20') in length, a minimum of fifteen inches (15") in diameter and may be made of any material approved for use for this purpose by Medina County.

4. No building, fence, or other structure or improvements shall be erected, placed or altered on any lot until two copies of the construction plans and specifications (including specifications of all exterior and roofing materials, color of paint or stain, a plan showing the proposed location of the structure and such other matters as such Committee may reasonably request) have been submitted to and approved in writing by the Architectural Control Committee in all respects, including, but not limited to, harmony of external design with existing structures and location with respect to topography and finish grade elevation. The Architectural Control Committee is authorized to charge a one-time permit fee for approval of plans and specifications. Such fee shall be payable to HV of Medina Owners Association, and the amount of the fee shall be set by the Board of Directors of such Association; provided, that such fee shall not ex-

ceed the greater of (i) one-fourth of one percent of the cost of the improvements for which approval is being sought, or (ii) \$25. If such construction, placement or alteration is not commenced within eight (8) months of such approval, the approval shall be null and void unless an extension is granted in writing. No building exceeding two (2) stories in height shall be erected or placed on any lot except as approved by the Architectural Control Committee.

5. Subject to and without impairment of the easements reserved or granted in these restrictions and all rights or easements held by the undersigned or others, fences shall be permitted to extend to the boundary lines of all lots and/or tracts hereunder, except fences shall not be permitted along or within ten (10) feet of any front boundary line of any lot or tract hereunder; provided, that the undersigned may in its sole discretion grant a variance on a case-by-case basis.

6. No building, HUD-code manufactured home, modular home or structure other than a fence shall be located or permitted to remain on or over any of the utility easement areas reserved or granted in these restrictions.

7. No animals or birds, other than household pets, shall be kept on any lot. Dogs shall be permitted only if continuously contained by leash or within a fenced area. No more than a reasonable number of household pets may be kept on any lot. The discharge of firearms on the lots hereunder is prohibited.

8. Subject to the remaining provisions of this paragraph, no shack or any outbuilding (other than a private boathouse, garage, or storage building complying with these restrictions) shall be erected or placed on any lot, and no boathouse, garage or storage building erected on any lot shall at any time be used as a dwelling, temporarily or permanently. Camping shall be permitted on all lots hereunder but shall be limited to the use of recreational vehicles (including pickup campers, cabover campers, camping trailers, van conversions, fifth-wheel trailers, motor homes, mini-motor homes and travel trailers), tents, and other camping shelter, which shall be of good appearance and in good repair and subject to the approval of the Architectural Control Committee. No recreational vehicle may be placed or permitted to remain on any lot hereunder unless it is covered by a valid permit issued by the Architectural Control Committee. Such Committee is authorized to charge a fee of \$10 per year for the issuance and renewal of a permit, which shall be payable to HV of Medina Owners Association. No fee may be required for tents and similar types of temporary camping shelters. Tents and similar types of temporary camping equipment cannot be left on a lot unattended for more than twenty-four (24) consecutive hours. Pickup campers or cabover campers are prohibited on the lots hereunder unless affixed to the vehicle for which they are designed. Converted buses may not be placed and may not remain on any lot hereunder. HUD-code manufactured homes and modular homes may be placed and used on all lots hereunder only if a permit for same has been issued pursuant to numbered paragraph 4 hereof by, and prior written approval of same has been granted by, the Architectural Control Committee. The Architectural Control Committee requirements are: (a) that the HUD-code manufactured home or modular home shall be no more than approximately five (5) years old at the time it is placed on the property; have a minimum floor area of 750 square feet; be in good repair and of attractive design and appearance; underskirted with materials approved by the Architectural Control Committee; and securely anchored in accordance with the minimum requirements of the State of Texas, and that such home must be lawfully connected to sewage disposal facilities complying with all provisions, rules, regulations and requirements of all governmental bodies and agencies having jurisdiction prior to occupancy. Nothing in this paragraph prohibits the construction of a residence on lots referred to herein provided other paragraphs hereof are complied with. Not more than one residence or HUD-code manufactured home or modular home may be constructed and/or placed on any one lot. Mobile homes which are not HUD-code manufactured homes shall not be placed or permitted to remain on any lot hereunder.

9. Perpetual easements are reserved for the installation and maintenance of utilities and all necessary appurtenances thereto, whether installed in the air, upon the surface or underground, over, under and across all land (i) along and within ten (10) feet of the front boundary lines of all lots and/or tracts hereunder, (ii) along and within five (5) feet of all other boundary lines of all lots and/or tracts hereunder, and (iii) in the streets, alleys, boulevards, lanes and roads of the subdivision. Nothing shall be placed or permitted to remain within the easement areas which may damage or interfere with the installation or

maintenance of utilities. The easement area of each lot and all improvements within it shall be maintained by the owner or purchaser of the lot, except for those improvements for which an authority or utility company is responsible. Utility companies and their employees and agents shall have all of the rights and benefits necessary or convenient for the full enjoyment of the rights herein granted, including, but not limited to, the free right of ingress to and egress from said right-of-way and easement, and the right from time to time to cut all trees, undergrowth and other obstructions that may injure, endanger or interfere with the installation, maintenance or operation of such utilities. The easement rights herein reserved include the privilege of anchoring any support equipment within said easement and the right to install wires and/or cables over some portions of said lots and/or tracts not within said easement so long as such items do not prevent the construction of buildings on any of the lots and/or tracts of this subdivision. All such easements are reserved for the use and benefit of all utility companies serving or to serve the property hereunder for the construction, operation and perpetual maintenance of conduits, poles, wires and fixtures for electric lines, gas lines, telephone lines, water lines, sanitary and storm sewers, television cables, road drains and other public and quasi-public utilities.

In addition, perpetual easements are reserved along and within ten (10) feet of the rear, front and side lines of all lots and/or tracts hereunder and in the streets, alleys, boulevards, lanes and roads of this Subdivision for the benefit of Bandera Electric Cooperative, Inc., as set forth in the recorded plat(s) of the property hereunder.

The undersigned and/or its designees may, on any lot and/or lots then owned by it, construct, maintain, use and allow to be used by others, parks, swimming pools, boat ramps, fishing piers, playgrounds, community center buildings, multi-family housing, and other recreational and/or community facilities, campsites, camping pads, and restrooms, sales offices, water plants and sewage treatment plants and related pumping, storage, operation and maintenance facilities, as well as lots for the excavation and/or storage of road construction and/or maintenance materials, and the like, or any other purpose that the undersigned may deem necessary, and numbered paragraphs 1, 2, 3, 4, 5, 6, 7, 8, 11 and 12 hereof shall not apply thereto.

10. No outside toilet or privy shall be erected or maintained on any lot hereunder. The materials installed in, and the means and method of assembly of, all sanitary plumbing shall conform with the requirements of the State of Texas and the local authorities having jurisdiction. No sewage nor effluent shall be disposed of upon, in, nor under any lot hereunder except into waste disposal facilities complying with all provisions, rules, regulations and requirements of all governmental bodies and agencies having jurisdiction. Not more than one dwelling may be served by a single water connection.

11. Any building, structure or improvement commenced upon any lot shall be completed as to exterior finish and appearance within six (6) months from the commencement date. Each HUD-code manufactured home and modular home shall be underskirted within sixty (60) days after the date the home is placed on the property. No lot or portion of any lot shall be used as a dumping ground for rubbish or trash, nor for storage of items or materials (except during construction of a building), and all lots shall be kept clean and free of any boxes, rubbish, trash or other debris and inoperative cars, vans or buses. Grass and weeds may not exceed twelve inches in height. Refrigerators and other large appliances shall not be placed outdoors. The undersigned shall have the right to enter the property where a violation exists under any provision of these Subdivision Restrictions and remove the incomplete structure or other item(s) which constitutes the violation at the expense of the offending party.

12. Subject to the provisions of numbered paragraph 13 hereof, as to each lot hereunder (other than any lots excluded from the provisions of this paragraph pursuant to numbered paragraph 9 hereof), an assessment is hereby made of (i) \$12.00 per month with respect to the total of lots, the owner of which owns one or two lots in Holiday Villages of Medina Subdivision, (ii) \$18.00 per month with respect to the total of lots, the owner of which owns three lots in Holiday Villages of Medina Subdivision, and (iii) \$24.00 per month with respect to the total of lots, the owner of which owns four or more lots in Holiday Villages of Medina Subdivision; the word "owner," as used in this sentence, shall include also a purchaser of a lot in Holiday Villages of Medina Subdivision. Each owner and each purchaser of property in this subdivision shall be a member of HV of Medina Owners Association; provided, however, that the Developer may in its

discretion resign its membership at any time. At any time and from time to time, HV of Medina Owners Association (a Texas non-profit corporation) may elect, by majority vote of the entire Board of Directors plus a majority of votes cast at a meeting of the members of said Association duly convened, to increase such assessments, provided that prior written notice is mailed to each member of said Association (at the most recent address shown for such member on the records of said Association) stating either the exact amount or the maximum amount of such increase to be voted on at such meeting. Beginning after January 1, 2005, the Board of Directors of HV of Medina Owners Association may elect by a majority vote of the entire Board to increase such assessments a maximum of two (2) percent per year cumulative since the later of the following dates: (i) the effective date of the most recent increase (if any) approved by the members of such Association, or (ii) January 1, 1999. Said assessment shall accrue from the earlier of the date of the agreement for deed from the Developer as seller to a purchaser or of the conveyance by the Developer as grantor. Such assessment shall be and is hereby secured by a lien on each lot hereunder, respectively, and shall be payable to HV of Medina Owners Association, its successors and assigns, the owner of said assessment funds, on January 1 of each year commencing in 2003, on which date in the year 2003 and in successive years said assessment lien shall conclusively be deemed to have attached. Such assessment shall be payable monthly, quarterly, semi-annually or annually, either in arrears or in advance, as determined from time to time by the Board of Directors of HV of Medina Owners Association, except that such assessment shall never be payable more than twelve (12) months in advance. In the event such assessment is made payable in advance and except as otherwise required by law, there shall be no refund of paid but unaccrued assessments on account of any cancellation or repossession of a purchase contract or any transfer of an owner's or purchaser's interest in a lot. If any such assessment is not paid in full by the thirtieth (30th) day following the due date thereof, the unpaid amount of such assessment shall bear interest from such thirtieth (30th) day at the rate of eighteen percent (18%) per annum until paid. The assessment lien described hereinabove shall secure payment of past-due unpaid assessments and any interest thereon plus any expenses incurred in attempting to collect same, including, without being limited to, reasonable attorneys' fees.

13. The assessments described in numbered paragraph 12 hereof may be used for the construction, reconstruction, improvement and maintenance of roads and streets, swimming pools, parks, boat ramps, piers, playgrounds, cabanas, community buildings and other improvements in Holiday Villages of Medina Subdivision, for the purchase and rental of land and other property and facilities by HV of Medina Owners Association, for security guards, for central garbage disposal containers at Holiday Villages of Medina Subdivision, for insurance and/or bond coverage related to any such improvements, facilities, guards or personnel, for the payment of property and other taxes, for the payment of utility costs and maintenance expenses in Sections B and C of Holiday Villages of Medina Subdivision and other areas designated by the Developer for periodic camping use, for the repayment of any advances which may be made by the Developer or its affiliates to cover the cost and expense of any of such purposes and uses, and for any other uses approved by the Board of Directors of HV of Medina Owners Association. The use and benefit of the above described improvements and facilities shall be restricted to the members of HV of Medina Owners Association, their families and authorized guests, owners and purchasers of undivided interests in Sections B and C of Holiday Villages of Medina Subdivision and other areas designated by the Developer for periodic camping use, and other persons and classes of persons designated by the Developer; provided, however, that the owner or purchaser of a lot or lots in Holiday Villages of Medina Subdivision may assign the right to use such improvements and facilities to a person who is a lessee or renter of such lot or lots, in which case such owner or purchaser shall cease to hold the right to use such improvements and facilities as an owner or purchaser of such lot or lots. Such assignment shall not be effective unless the owner or purchaser gives written notice thereof to such Owners Association. Any such assignment may be revoked by such owner or purchaser at any time by written notice to such Owners Association. Notwithstanding any such assignment, the owner or purchaser shall retain the right to cast votes as a member of such Owners Association, subject to all provisions of the By-Laws of such Association. "Holiday Villages of Medina Subdivision," as such term is used in these Subdivision Restrictions, shall include the property covered by these Subdivision Restrictions and all other property in Medina or Bandera Counties, Texas, which may have heretofore or may hereafter be subdivided, platted and/or designated by the Developer as a portion of Holiday Villages of Medina Subdivision. The lien securing such assessments shall be junior and subordinate to any lien which may be placed on an lot or any portion of any lot as security for any interim construction loan and/or any permanent loan for financing

improvements on said lot, and/or any purchase money loan for any lot on which a dwelling or building complying with these restrictions has theretofore been constructed, and/or any lien held by the Developer. Assessments against lots owned by the Developer shall accrue, and liens securing same may attach, only during such times as a contract to purchase said lots is then in force and no assessment shall be made against the Developer nor against then unsold lots owned by it at any time (whether or not such lots have been previously sold and the contract cancelled or otherwise terminated). At any time, as to any lot then owned by the Developer not covered by a contract with the Developer then in force to sell or reserve for sale such lot, any then accrued but unpaid assessments under this paragraph against such lot shall thereupon be automatically cancelled.

14. No lot which is under a contract of sale then in force, with the Developer being the seller thereunder, may be subdivided without the consent of the Developer, which consent may be granted or withheld at the sole discretion of the Developer. No lot or any part of a lot shall be used for a street, access road or public thoroughfare without the prior written consent of the Developer.

15. No water well shall be permitted on any lot hereunder except on such lots as may be hereafter specifically designated in writing by the Developer and/or by any other party authorized by the Developer to so designate such excepted lots.

16. Subject to the provisions of the last sentence of this paragraph, if any person or entity, as defined hereinafter, whether or not lawfully in possession of any real property hereunder, shall either (i) violate or attempt to violate any restriction or provision herein or (ii) suffer to be violated (with respect to the real property in which such person or entity has rights other than the rights granted by this sentence) any restriction or provision herein, it shall be lawful for Medina County, HV of Medina Owners Association and/or any person or entity, as defined hereinafter, possessing rights with respect to any real property hereunder, to prosecute any proceedings at law or in equity against any such person or entity violating, attempting to violate and/or suffering to be violated any restriction or provision herein to (i) prevent such violation, (ii) recover damages or other dues for such violation, and (iii) recover court costs and reasonable attorney's fees incurred in such proceedings. "Person or entity," as used in the immediately preceding sentence hereof, shall include, but shall not be limited to, all owners and purchasers of any real property hereunder, as well as all heirs, devisees, assignees, legal representatives and other persons or entities who acquire any of the rights (with respect to the real property hereunder) of the owner or purchaser of any real property hereunder. Notwithstanding any other provisions hereof, the Developer shall neither be liable nor be subject to any proceeding at law or in equity on account of any violation or attempted violation of any restriction or provision herein which occurs during such time as there is in force a contract to purchase the property where such violation or attempted violation takes place.

17. Neither the Developer, nor the directors, officers or representatives of the Developer, nor the Architectural Control Committee, nor the members of said Committee, nor the directors nor officers of HV of Medina Owners Association, shall have any liability or responsibility at law nor in equity on account of the enforcement of, or on account of the failure to enforce, these restrictions.

18. At any time after December 31, 2025, any provisions contained in these Subdivision Restrictions (except as hereinafter provided) may be amended or repealed, in whole or in part, by the vote of at least two-thirds of the votes cast at a meeting of the members of HV of Medina Owners Association duly convened, provided that prior written notice is mailed to each member of said Association (at the most recent address shown for such member in the records of said Owners Association) generally describing any proposed amendment or repeal to be voted on at such meeting. At any time prior to December 31, 2015, any provisions contained in these Subdivision Restrictions may be amended or repealed, in whole or in part, in respect to any one or more Sections of Holiday Villages of Medina Subdivision by the vote of a majority of the votes cast at a meeting of the members of HV of Medina Owners Association called by the Developer and duly convened, provided that the Developer is the record owner of a majority of the lots in each such Section and provided further that prior written notice is mailed by the Developer to each member of said Association who is an owner or purchaser of property in such Section(s) (at the most recent address shown for such member in the records of said Owners Association) generally describing any proposed amendment or repeal to be voted on at such meeting. Any such amendment or repeal must be

recorded in the Office of the County Clerk, Medina County, Texas, and shall be effective upon the date of such recordation. Notwithstanding the foregoing, none of the provisions of numbered Paragraphs 9, 13, 14, 15 or 17 hereof or this sentence may be amended or repealed without the written consent of the Developer.

19. The "Developer," as such term is used herein, shall mean Medina Holiday Villages, L. P. and/or any person or entity to whom Medina Holiday Villages, L.P. may hereafter, from time to time, by document(s) recorded in the Office of County Clerk, Medina County, Texas, assign any or all of the rights or powers of the Developer hereunder, and/or any successive assignees of such rights or powers.

20. Invalidation of any one or more of these covenants and restrictions by judgment of any court shall in nowise affect any of the other covenants, restrictions and provisions herein contained, which shall remain in full force and effect.