

2013 RESTATED, CONSOLIDATED AND AMENDED RESTRICTIONS FOR CAROLINA COVE SUBDIVISION,
WALKER COUNTY, TEXAS

THE STATE OF TEXAS *

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF WALKER *

WHEREAS, CAROLINA DEVELOPMENT COMPANY, INC., a Texas corporation, was the owner and developer ("Developer") of all that certain real property comprising CAROLINA COVE, Sections 1, 2, and 3, and herein sometimes referred to as Subdivision, according to the map or plat thereof of record in the Plat Records of Walker County, Texas, as follows: Section 1: Volume 194, page 672; Section 2, Volume 188, pages 653 and 655; and Section 3, Volume 174, page 584, to which maps or plats and their record thereof reference is hereby made for full and particular description of said real property; and

WHEREAS, the Developer, in its desire to keep the development of said real property for the mutual benefit and pleasure of the property owners in said subdivision, and for the protections of said property values thereon, did execute and place on and against said property certain protective and restrictive covenants ("1967 Original Restrictions") regarding the use thereof, which restrictions were filed at Volume 208, pages 160, et seq., Volume 221, pages 733, et seq., in the Deed Records of Walker County, Texas; and

WHEREAS, the Original Restrictions provided that the deed restrictions could be annulled, amended or modified at any time by vote of two-thirds of the Board of Directors of the Carolina Cove Estates Community Improvement Association, upon the recommendation of the Architectural Control Committee and ratified by a majority of the lot owners in the section in which such amendment is proposed, upon thirty (30) days written notice of any proposed amendment before the same is adopted; and

WHEREAS, the Original Restrictions provided for an architectural control committee and a property owners association, known as the Carolina Cove Community Improvement Association; and

WHEREAS, on April 15, 1994 Articles of Incorporation were filed with the Texas Secretary of State, for the Carolina Cove Community Improvement Association, Inc., Charter Number 01309204-01, (the "Association"), incorporating the Association as a non-profit corporation and designating the Association as a property owners association for the property owners in Carolina Cove Subdivision; and

WHEREAS, certain amendments have been made to the deed restrictions, filed May 31, 1996, ("1996 Amended Restrictions"), and filed at Volume 286, pages 032, et seq., Official Public Records of Walker County, Texas; and

WHEREAS, certain amendments have been made to the deed restrictions, filed August 30, 2002, ("2002 Amended Restrictions"), and filed at Volume 525, pages 135, et seq., Deed Records of Walker County, Texas; and

WHEREAS, the Architectural Control Committee has recommended to the Carolina Cove Community Improvement Association, Inc., that certain amendments should be made to the Restrictions for the Carolina Cove Subdivision; and

WHEREAS, the Board of Directors of the Carolina Cove Community Improvement Association, Inc., by a two-thirds vote of the Board of Directors, have agreed that the Restrictions should be consolidated,

amended and restated as provided herein, subject to a majority approval of the lot owners in the Carolina Cove Subdivision;

NOW THEREFORE, subject to the approval of a majority of the lot owners, to be evidenced by the vote of a majority of the lot owners, the deed restrictions will be amended as follows:

ARCHITECTURAL CONTROL

ARCHITECTURAL CONTROL COMMITTEE

- 1.1 There shall be established an Architectural Control Committee, (referenced at times as the "ACC"), composed of three (3) members in good standing appointed by the Board of Directors of the Association ("Board") to protect the owner of lots hereunder against such improper use of lots as will depreciate the value of their property; to preserve, so far as practical, 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.
- 1.2 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, a plan showing the proposed location of the structure and such other matters as such ACC may reasonably request) have been submitted to and approved in writing by the ACC in all respects, including but not limited to harmony of external design with existing structures and locations with respect to topography and finish grade elevation. Upon receipt of the building plans, specifications and plat plans the Architectural Control Committee shall respond within thirty (30) days in writing as to their approval of the project. If the ACC determines that the building, if built according to the submitted building plans, specifications and or plat plans would be in violation of the deed restrictions as outlined below, written justification as to what changes need to be made to the building plans, specifications, and/or plat plans to eliminate the determined deed restriction violations shall be provided within the same thirty (30) day period. Failure to respond within thirty (30) days will be an indication of approval by the ACC. 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. The ACC shall use the below-listed restrictions as its sole determining factor as whether or not to approve a project as submitted or recommend changes. All buildings placed in Carolina Cove after the filing of these Deed Restrictions shall be subject to the following restrictions.
- 1.3 Any building, structure or improvement, to include new construction and/or additions to residences, commenced upon any lot, must be dried in within six (6) months and completed within twelve (12) months of commencement of construction. No building shall be occupied or used until the exterior of that building is completely finished. No additions to a residence may be constructed without the written approval of the Board. As used in these Restrictions "dried in" means the exterior of the house must be completed, including installation of windows, doors, roof, roofing, brick siding or other exterior materials, and further includes at least one coat of paint to those surfaces which require painting.

- 1.4 No building exceeding two (2) stories in height, with a maximum height of thirty-five (35) feet from the floor to the roof peak, shall be erected or placed on any lot except as approved by the ACC.
- 1.5 The design, materials, and workmanship in all buildings shall conform to common use by architects and builders of quality homes. Except as may be provided for in these Restrictions, and/or any waiver or approval by the ACC, the International Residential Code applies to all construction, alteration, remodeling, enlargement, and repair of all structures built in the Subdivision.

CONSTRUCTION REQUIREMENTS

- 2.1 Mobile homes, including "manufactured housing" or modular homes shall not be allowed in the subdivision except that a recreational vehicle (RV) owned by a property owner may be parked on the property of the owner. No RV shall be used as a temporary or permanent residence in the subdivision. Exceptions may be approved by the ACC for manufactured component type construction built in place that meets all other standards established by the ACC.
- 2.2 The floor area of all single family residences, exclusive of porches, stoops, open or closed carports, patios and garages, shall not be less than 1000 square feet on waterfront lots and shall not be less than 700 square feet on all other lots. Any storage building and/or other outbuildings, and private garages, boathouses and gazebos are for the sole use of the owner of such lot.
- 2.3 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 except as approved by the ACC.
- 2.4 All exterior 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 ACC.
- 2.5 On any structure, no tar type material and/or corrugated iron or steel shall be used as roofing or siding. Sheet metal roofing (such as R-panels) may be used as roofing, and siding may be sheet metal upon the written approval of the ACC.
- 2.6 The exterior of any building (excluding roof, glass and masonry) must be painted or stained. All buildings and structures shall be completely underpinned and under-skirted with no piers or pilings exposed to view except as approved by the ACC.
- 2.7 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 ACC.
- 2.8 Culverts for driveways and sidewalks on lots shall be mandatory unless otherwise approved by the ACC. The ditches and culverts in front of each lot shall be kept open and only steel culverts, the size recommended by the precinct County Commissioner, shall be installed. Other types of culverts will be permitted if they are commonly used by the Texas State Department of Highways and/or precinct County Commissioner. Any non-conforming culvert installed may be removed by the Association and replaced at the expense of the lot owner.
- 2.9 No building material of any type shall be placed or stored upon any tract until the owner is ready to commence construction and then such material shall be placed within the property lines of the

tract or parcel of land upon which the improvements are to be erected, and shall not be placed in the streets and/or other common areas.

- 2.10 After improvements are begun, work in progress shall be continuous and shall be prosecuted with reasonable diligence until all improvements are completed in accordance with plans submitted and approved by the ACC. Any construction in progress or incomplete on the date these Restrictions become effective must also be completed within the specified time frames so stated in these Restrictions.

RESIDENTIAL USE ONLY

- 3.1 The lots in such Subdivision shall be used for single-family residential purposes only, except those lots which are designated on the official plat of said Subdivision as being reserve lots. No residential lot shall be used for business purposes except home offices where business activity is not visible from the street shall be allowed.
- 3.2 The term "residential purposes" as used herein shall be held and construed to exclude hospitals, clinics, nursing homes, duplex houses, apartment houses, boarding houses, hotels and all other commercial uses as all such uses of said property are hereby expressly prohibited. Rental or lease of the lot and the residence thereon for any period of time less than 180 days shall be prohibited. Any rental or lease shall provide, in writing, that the renter or lessee has received a copy of the Deed Restrictions and agrees to be bound by same and comply with all Deed Restrictions. Owner shall provide the Board with the name and contact information of lessee within ten (10) days of signing the lease.
- 3.3 Rental or lease of the lot and residence shall not relieve the property owner from compliance with these Deed Restrictions.

SET BACK/LOCATION OF RESIDENCES/STRUCTURES/IMPROVEMENTS

- 4.1 No building, fence, or shrubs shall be placed within a lot nearer to the property line than outlined below. All setback lines shall be measured from the property line. These shall be known as the subdivision setback lines. Property Owners must be cognizant of all easements when building within these guidelines.
- 4.2 All setback lines are measured from the property line. The building setback line shall be at least twenty (20) feet in all cases except corner lots. In the case of corner lots, the twenty (20) foot setback shall be on the side of the lot fronting on the street. In the case of the side of the lot abutting the street, the minimum setback shall be ten (10) feet. Corner residential lots shall be deemed to front on the street-side having the least frontage.
- 4.3 Fences shall not be placed within ten (10) feet of the property line where the property line borders any street right-of-way except that corner lots that have street right-of-way frontage on two streets will have the ten (10) feet setback line on the street with the least frontage and five (5) feet setback line on the street with the most frontage. Shrubs/plants may be placed within the subdivision setback lines as long as the height does not impede traffic visibility.
- 4.4 Buildings shall not be placed within five (5) feet of any interior property line (property lines not bordering a street right-of-way). In the event a property owner owns more than one lot and is

building on more than one lot, the interior five (5) feet setback line shall not apply to the property line dividing the lots owned by the same property owner.

- 4.5 Fences may be placed on the property line on any interior property lines. Fences shall be permitted to extend to the side lot lines and back lot lines and to no less than ten (10) feet of the front lot lines, but without impairment of the easements reserved or indicated in the original plats and granted in these restrictions. No barbwire fencing is allowed. All fences require prior approval by the ACC.

TEMPORARY STRUCTURES

- 5.1 No trailer, barn, other outbuilding, or garage shall be used as a temporary or permanent residence in this subdivision.

INSIDE PLUMBING/SANITATION

- 6.1 Whenever a residence is established on any lot, it shall be provided with an inside toilet and shall be connected to a sewage system approved and permitted by the Trinity River Authority and/or Walker County, Texas. No gray water or sewage shall be drained into any property, road, street, alley, ditch, Lake Claire or Lake Livingston either directly or indirectly.

EASEMENTS

- 7.1 Lots are sold and transferred subject to all existing easements. Waterfront lots shall be subject to flood easements established or to be established by the Trinity River Authority.

USE OF PROPERTY

- 8.1 No noxious, offensive, or illegal activity shall be carried out on any lot, nor shall anything be done thereon which may be or may become an annoyance or a nuisance to neighbors or the neighborhood.
- 8.2 Pets: No animals, birds or livestock other than household pets shall be kept on any lot. Any household pets allowed shall not be raised or maintained on the property in such manner, or with such lack of care, as to cause offensive odors or noises, or so as to otherwise be a nuisance or annoyance, or be raised for commercial purposes. If the number of pets owned is deemed by the Board to be a nuisance or annoyance, at the Board's discretion the number of pets kept on that owner's property can be limited. Pet owners shall display current vaccination tags on pet's collar. Dogs shall be on the owner's property at all times, unless on a leash and under the owner's supervision. Pet owners are responsible for clean up/removal of pet feces.
- 8.3 No game hunting or target practice shall be allowed in any area of said subdivision with the exception of air guns, BB guns, or pellet guns used for target practice.
- 8.4 Drilling or exploration of oil or minerals is not allowed.
- 8.5 Vehicles transporting flammable or explosive cargos may not be kept in the subdivision.

- 8.6 All motorized recreational vehicles such as golf carts, all terrain vehicles (ATVs), neighborhood electric vehicles (NEVs), or similar vehicles designed for the disabled may be used as a means of transportation on private association roads with the following guidelines to apply:
- (a) The vehicle owner will be totally liable for any injury or damage caused by the driver of the vehicle.
 - (b) All subject vehicles must be driven in a safe, responsible manner and are subject to the same laws that apply to automobiles/trucks with regard to occupying the roadways.
 - (c) The subject vehicle cannot be driven on the property of another lot owner without the permission of that lot owner.
 - (d) All subject vehicles that require noise suppression must have a working muffler in place.
 - (e) Operating lights must be in working order and in use if the vehicle is driven after dark.

SUBDIVIDING OF LOT

- 9.1 No lot may be subdivided without the approval of the Board. This, however, does not preclude a purchaser of two or more adjacent lots from building a single residence on such lots. The smallest individually subdivided lot, parcel, or tract of land shall not be less than one-half (1/2) the size of the original purchased lot, and no lot, parcel or tract so subdivided shall be used except for one single family residence. 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 Board.

LOT CONSOLIDATION

- 10.1 Lot consolidation is allowed for legal purposes, but does not absolve the owner from paying maintenance fees on the number of the original lots (as designated in the plat plans filed in Walker County for the subdivision) purchased or owned.

MAINTENANCE OF PROPERTY

Lots within Carolina Cove Subdivision are to be maintained according to the following guidelines:

- 11.1 No sign, advertisement, billboard, or advertising structures of any kind may be erected or maintained on any residential lot without the consent in writing of the Board. The Board shall have the right to remove any such sign, advertisement, billboard or structure which is placed on any residential lot without such consent, and in so doing shall not be liable, and is expressly relieved from any liability for trespass or other tort in connection therewith, or arising from such removal. Nothing in this restriction shall prohibit the owner of a lot from placing a "For Sale" or "For Rent" sign on said property. Customary name and address signs and non-commercial yard signs of not more than three (3) square feet may be permanently displayed.
- 11.2 No Ham radio stations or CB base stations shall be constructed or operated within this subdivision.
- 11.3 No RV, utility trailers, boats, boat trailers, or boat rigging shall ever be parked or placed (except temporarily) nearer to the street than the setback lines as set forth in #4.1 and #4.2 of these Restrictions. The parking of automotive vehicles on road shoulders for a period of longer than seventy-two (72) hours is prohibited. Road shoulders are not considered to be any of the paved road surface.

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- 12.1 The owners and/or occupants of all improved lots in this subdivision shall, at all times, keep weeds and grass thereon cut in a sanitary, healthful and attractive manner. Natural lots may be allowed to grow in their native state without mowing. Dead trees that exist on natural and/or improved lots which pose a hazard to subdivision streets or other common areas must be removed.
- 12.2 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 "junk" and/or "inoperative" passenger vehicles, vans, RVs, motorcycles, buses, boats and/or trailers. Motorized or non-motorized vehicles that are not in operating condition or are non-functioning with respect to original purpose and/or do not have a current state license (registration) and state inspection sticker are considered "junk" and/or "inoperative" for purposes of these restrictions (#12.2 and #12.3). Junk or inoperative vehicles shall not remain on the property more than 30 consecutive days.
- 12.3 No noxious, offensive, or illegal trade or activity shall be carried on upon this property nor shall anything be done thereon which may become an annoyance or nuisance to the neighborhood. Examples include excessive garbage and trash accumulation or allowing junk and/or inoperative passenger vehicles, vans, RVs, motorcycles, buses, boats and/or trailers to remain on the property. The Board shall have the discretion to determine what constitutes an annoyance or nuisance.
- 12.4 The Association shall have the right to enter the property where a violation exists with respect to Lot Maintenance restrictions #12.1, #12.2 and #12.3 and/or remove any incomplete structure(s) or other violation(s) at the expense of the property owner or offending party.
- 12.5 Prior to such entry and correction of the restriction violation, the property owners shall be given thirty (30) days notice of the violation and an opportunity to cure the violation. If the violation is not corrected in that period of time, or such period as may be agreed upon by the lot owner and the Association, the Association shall have the right to correct such deed restriction violation. If the cost of such correction is not paid within thirty (30) days of invoice, a contractual lien may be retained against the property as security for such expense, together with any legal fees and costs incurred in enforcing this restriction, and the Association shall have the right to judicially foreclose the lien securing such expense, legal fees and costs incurred in enforcing this restriction.

MAINTENANCE FEES

- 13.1 The owners of lots purchased in said Subdivision shall pay a Maintenance Fee in the sum of Seventy-Two and no/100 (\$72.00) Dollars per lot, on the 1st day of July of each year, beginning on the 1st day of July, 2013, to the Association to be used for the upkeep of the roads, parks and common facilities in said Subdivision as set out in the plat of said Subdivision. The Maintenance Fee shall be deemed delinquent if not paid by August 1st of the year in which such maintenance fees are due. Late fees, other reasonable costs to include legal or administrative expenses (regardless of whether suits or liens are filed), and any other costs permitted by the Deed Restrictions, Bylaws, and state statutes may be charged to the property owner. Non-receipt of an invoice or statement shall in no way relieve the property owner of the obligation to pay the amount due, nor shall it relieve the property owner from being charged interest and late fees on past due balances. Said Maintenance Fee shall be secured by a lien against said lot, and failure to pay said assessment shall constitute a foreclosure lien against said lot. This lien is in the form of an

assessment to run with the ownership of said lots or a judgment may be secured again the owner(s).

- 13.2 The amount of the annual maintenance fee may be adjusted as shall be determined by a majority vote of the members, represented in person or by proxy, of the Association at the annual meeting of the Association, at which a quorum of the members, represented in person or by proxy, is obtained. Thirty (30) days notice shall be given to all lot owners of said annual meeting and of the proposed annual maintenance fee to be determined for the next fiscal year. In the event the proposed maintenance fee fails to obtain the necessary votes at the annual meeting, then the maintenance fee for the next fiscal year shall remain at the same amount as then currently set, but in no event to be less than Seventy-Two and no/100 (\$72.00) Dollars per lot per year. Said assessments shall be in the form of a covenant to run with the ownership of the said lots. It is expressly provided that the Vendor's Liens retained by Developer and assigned to the Association shall remain in full force and effect. If lot owners sell any portion of their land, they are to notify the Association, within ten (10) days from the sale closing date, of the name and address of the buyer so that the aforesaid assessments may be collected from the new owner.
- 13.3 The maintenance fund shall, to the extent available, be applied to the payment of maintenance expenses and/or construction costs incurred for any or all of the following purposes, as determined by the Board of said Association:
- (a) lighting, constructing, improving, and maintaining streets, sidewalks, paths, parkways, esplanades, if any;
 - (b) improvements of any area between curbs and sidewalks;
 - (c) collecting and disposing of garbage, ashes, rubbish and similar material as well as the maintenance of vacant lots;
 - (d) the construction of ramps, boat landings, basins and other similar recreation facilities on areas so reserved by developer;
 - (e) payment of legal fees and court costs of the Association; and
 - (f) doing any other thing necessary or desirable in the opinion of the Board of said Association to keep the property neat and in good order or which is considered of general benefit to the owners or occupants of the Subdivision including any expenses incurred in enforcing any provisions of the restrictions, including any amendments thereto, on file in the County Clerk's office of Walker County, Texas.

PROPERTY OWNERS ASSOCIATION

- 14.1 "Property Owners Association", and/or "Association", as such term is used herein, shall mean the "Carolina Cove Community Improvement Association, Inc."
- 14.2 Every property owner in the Carolina Cove Subdivision shall be a member of the Association, and the Association shall be a Property Owners Association as defined by the Texas Property Code. The Board shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, and reservations now or hereafter imposed by these restrictions, and said lawsuit to be brought in the name of the Association, upon a vote by the majority of the Board at the duly called meeting of the Board at which a quorum of Directors is present, against any lot owner who is delinquent in payment of the maintenance fees, as delinquent is defined in these restrictions, and Bylaws of the Association, as well for enforcement of any other deed restriction violation.
- 14.3 Any lot owner who has not paid the annual maintenance fees applicable to the lots he/she owns, once such maintenance fees are payable as provided by these restrictions and the Bylaws, shall be

considered in default. Any lot owner delinquent in payment of any maintenance fees or other fees due on the record date of any meeting, as determined by the Bylaws of the Association, shall not be entitled to vote at any meeting of the members, whether annual or special, and shall not be entitled to hold any directorship of office of the Association.

- 14.4 Any lot owner who brings a lawsuit against the Association alleging a violation of any duty of the Association to enforce the deed restrictions, or alleging that the Association, or any director, officer and/or agent of the Association, shall be liable to the Association for any legal fees and costs incurred in defending such lawsuit.
- 14.5 Notwithstanding any provision to the contrary, nothing herein or in the plats above referenced shall be deemed, interpreted or construed as imposing any obligation or obligations whatever upon the Association, and the Association shall not be liable under any provisions hereof or thereof for any charge, assessment, breach, act or omission to act.
- 14.6 Dedicatory Instruments. The Association shall have the right to adopt bylaws and regulations affecting the use of property in the Carolina Cove Subdivision. Upon the filing in the Official Public Records of Walker County, Texas, any such dedicatory instruments shall have the same force and effect as these Restrictions.

AMENDMENT OF RESTRICTIONS

- 15.1 Duration and Amendment. The provisions hereof, including the restrictions and assessments herein set shall be deemed and considered covenants running with the herein above described lots and shall be binding upon the lot owners and their heirs, executors, and administrators and assigns, and all persons or parties claiming under it until December 31, 2028, at which time said covenants shall be automatically extended for successive periods of ten (10) years, unless an instrument has been recorded in the records of the County Clerk of Walker County, Texas agreeing to change said covenants in whole or in part. The Association shall have the right at any time hereafter to make such reasonable changes in or waivers of any or all of the above restrictions, conditions, covenants, as the Association in its sole discretion may deem reasonably necessary or desirable, subject to the approval of the Association's members by a majority in favor of such change in or waivers of any or all of the restrictions, conditions, and covenants, by the members of the Association at a special or annual meeting at which a quorum is had, and at which special or annual meeting specific notice, at least thirty (30) days in advance of such special or annual meeting, of such changes in or waivers of any or all of the above restrictions, conditions, covenants is given.

LEGAL EFFECT OF RESTRICTIONS/COVENANTS RUNNING WITH LAND

- 16.1 Applicability. Each Contract, Deed, and/or Deed of Trust which may be hereafter executed with respect to any property in the Subdivision shall be deemed and held to have been executed, delivered, and accepted subject to all of the provisions of this instrument, including, without limitation, the Reservations, Restrictions and Covenants herein set forth, regardless of whether or not any of such provisions are set forth in said Contract, Deed or Deed of Trust, and whether or not referred to in any such instrument. These restrictions, conditions, covenants and assessments are, and shall be, deemed and considered covenants running with the herein above described lots, and the same shall be binding upon the lot owners and their heirs, executors, and administrators and assigns.

PARTIAL INVALIDITY AND SEVERABILITY

- 17.1 It is understood that no act or omission upon the part of any party hereto or any person hereafter acquiring an interest in said property by, through, or under same shall ever be construed as a waiver of the operation or enforcement of these covenants and restrictions, and easements.
- 17.2 In the event any portion of the provisions hereof shall become or be held invalid, whether by reason of abandonment, waiver, estoppel, judicial decision or otherwise, such partial invalidity shall not affect, alter or impair any other provision hereof, which was not thereby held invalid; and such provisions, including Restrictions, Reservations and Covenants shall remain in full force and effect, binding in accordance with their terms.

ENFORCEMENT OF DEED RESTRICTIONS

- 18.1 Enforcement shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant either to restrain such violation or proposed violation and to recover damages. Such enforcement may be by the owner of any lot in said subdivision. Subject to the provisions of Restriction #18.4, if any person or entity, as defined hereinafter, whether or not lawfully in possession of any real property hereunder, shall either (1) violate or attempt to violate any restriction or provision herein or (2) 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 the Carolina Cove Community Improvement Association, Inc., 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 (1) prevent such violation, (2) recover damages of other dues for such violation, and (3) 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.
- 18.2 The Association has the right, but not the exclusive duty, to take action to enforce any violation of these deed restrictions.
- 18.3 Neither the ACC, nor the members of said Committee, nor the directors nor officers of the 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. An exercise of discretionary authority by the Association concerning a restrictive covenant is presumed reasonable unless the court determines by a preponderance of the evidence that the exercise of discretionary authority was arbitrary, capricious, or discriminatory.
- 18.4 Notwithstanding any other provisions hereof, the Association shall not be liable or 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.
- 18.5 Liability of Owners to Owners' Families and Guests. All lot owners shall be liable for any injury to themselves or any of their family or guests while in or on any of the roads, lakes or playground or

property of said subdivision or Association, and the Association shall not be liable for any such injury.

DEFINITIONS

- 19.1 Association – Shall mean and refer to the CAROLINA COVE COMMUNITY IMPROVEMENT ASSOCIATION, INC., a non profit corporation organized under the laws of Texas, its successors and assigns.
- 19.2 Board of Directors – Shall mean and refer to the board of directors elected by the members of the Association.
- 19.3 Common Facilities – The roads, street lights, parks, and entrance features of the Subdivision, and landscaped areas established by the Developer for use as Common Facilities.
- 19.4 County Clerk - The County Clerk of Walker County, Texas.
- 19.5 Declarations and/or Restrictions – Shall mean the declarations and restrictions filed of record with the County Clerk for the Subdivision.
- 19.6 Dedicatory Instrument – Each instrument governing the establishment, maintenance, and operation of the CAROLINA COVE COMMUNITY IMPROVEMENT ASSOCIATION, INC., and includes a declaration or similar instrument subjecting real property to restrictive covenants, certificate of formation, bylaws, or similar instruments governing the administration or operation of a property owners association, to properly adopted rules and regulations of the property owners' association, or to all lawful amendments to the covenants, bylaws, instruments, rules, or regulations, including but not limited to those identified above under "Declaration". Dedicatory Instrument further shall mean the Articles of Incorporation (now known as Certificate of Formation), Bylaws, and other rules, regulations, and resolutions filed of record with the County Clerk.
- 19.7 Directors – Shall mean and refer to any duly elected or appointed member of the Board of Directors.
- 19.8 Electronic ballot – a ballot:
(a) given by: (1) e-mail; (2) facsimile; or (3) posting on an Internet website;
(b) for which the identity of the property owner submitting the ballot can be confirmed; and
(c) for which the property owner may receive a receipt of the electronic transmission and receipt of the owner's ballot.
(Source: Section 209.00592 (d), Texas Property Code).
- 19.9 Improved lot – Any lot that has had a residence built on it. In the event one residence is built on two or more lots owned by the same property owner, all lots with the residence will be considered residential lots.
- 19.10 Lot – Any residential lot in the Subdivision, and identified in the documents filed of record, identified herein, and on record with the County Clerk.
- 19.11 Maintenance Fee – The periodic charge collected by the Association for each Lot in the Subdivision for the purpose of maintaining and improving the Subdivision.

- 19.12 Maintenance Fund – The amounts collected by the Association upon payment of Maintenance Fees by the Owners.
- 19.13 Member or Members – Shall mean and refer to all those Owners who are members of the Association as provided for in these Restrictions and/or Bylaws.
- 19.14 Natural lot – Any lot that does not have or has never had a residence on it.
- 19.15 Owner – Shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.
- 19.16 Plats – The plat of the subdivision recorded in the County Clerk’s office.
- 19.17 Pre-manufactured or modular home or mobile home – Any structure to be used as a residence that is built in a remote location and then moved into Carolina Cove, whether or not the building is on wheels or not.
- 19.18 Record Date – The date that the notice of any annual or special meeting is mailed.
- 19.19 Regular Assessment – The annual amount that each owner of property within a residential subdivision is required to pay to the Association, which is designated for use by the Association for the benefit of the property owners of the Subdivision, as provided by the Restrictions, and include maintenance charges and maintenance fees.
- 19.20 Reserve lot – Lots that are marked reserve on the recorded subdivision plat.
- 19.21 Residential lot – All lots that are not marked reserve on the recorded subdivision plat whether improved or natural.
- 19.22 Special Assessment – Any fee and/or due, other than a regular assessment, that each Member is required to pay to the Association, as established by a majority vote of the Members at an annual or special meeting of the members of the Association at which a quorum is present and at which at least thirty (30) days notice is given of the intent to establish a Special Assessment and which action of the Members authorizes the Association to charge for:
- (a) Defraying, in whole or in part, the cost, whether incurred before or after the assessment, of any construction or reconstruction, repair, or replacement of a capital improvement in the Common Areas owned by the Association, including the necessary fixtures and personal property related to such Common Areas, to the extent such expense is not sufficiently provided for with Regular Assessment funds;
 - (b) Maintenance and improvement of Common Areas owned by the Association; and/or
 - (c) Such other purposes of the property owners’ Association as stated in the Association’s Certificate of Formation or the dedicatory instrument for the Subdivision.
- 19.23 Subdivision – The Carolina Cove Subdivision, Sections 1, 2 and 3, Walker County, Texas, as shown on the respective Plats on file with the Walker County Clerk’s office.