

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. 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 twelve inches (12") in diameter and shall be made of galvanized, corrugated steel with an eighteen (18) gauge minimum. Other types of culverts will be permitted if they are commonly used by the Texas State Department of Highways.

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. 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, walls or hedges shall be permitted to extend to the boundary lines of all lots and/or tracts hereunder, except fences, walls or hedges shall not be permitted along or within twenty (20) feet of any lot or tract boundary line adjoining a road or street right-of-way and may not exceed four (4) feet in height; provided, that the Architectural Control Committee may in its sole discretion grant a variance on a case-by-case basis. No wall, fence or hedge shall be erected or maintained on any lot which shall unreasonably restrict or block the view from an adjoining lot or which shall materially impair the continuity of the general landscaping plan of the subdivision.

6. No building 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. In addition, no building or structure other than a fence shall be located or permitted to remain within twenty (20) feet of any lot or tract boundary line adjoining a road or street right-of-way.

7. No animals or birds (other than household pets which are not kept, bred or maintained for any commercial purpose and which do not constitute a public nuisance) shall be kept on any lot. Dogs shall be permitted only if continuously contained by leash or within a fenced area. The discharge of firearms on the lots hereunder is prohibited.

8. No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding, or any part thereof, shall be used as a residence or dwelling, either temporarily or permanently. Garages which are appurtenant to a residence may be erected on a lot on which a main dwelling has been erected. Not more than one residence may be constructed on any one lot.

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 all lot or tract boundary lines hereunder adjoining a road or street right-of-way, (ii) along and within eight (8) feet of the rear boundary line of all lots hereunder, (iii) along and within five (5) feet of all other boundary lines of all lots and/or tracts hereunder, and (iv) 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.

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 and other recreational and/or community facilities, campsites, camping pads, and restrooms, sales offices, water plants and related pumping, storage, operation and maintenance facilities, 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 health department 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. 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. No sign or any other advertising may be displayed on any residential lot or in the right-of-way adjacent to any residential lot or building unless approved by the Architectural Control Committee. The undersigned shall have the right to enter the property where a violation exists under this paragraph and remove the incomplete structure or other items at the expense of the offending party.

12. Subject to the remaining provisions of this paragraph, as to each lot hereunder, an assessment is hereby made of (i) \$5.00 per month with respect to the total of lots, the owner of which owns one or two lots in Lake Medina Shores Subdivision, (ii) \$6.00 per month with respect to the total of lots, the owner of which owns three lots in Lake Medina Shores Subdivision, and (iii) \$8.00 per month with respect to the total of lots, the owner of which owns four or more lots in Lake Medina Shores Subdivision; the word "owner", as used in this sentence, shall include also a purchaser of a lot in Lake Medina Shores Subdivision. Said assessment shall accrue from the earlier of the date of the agreement for deed from the undersigned as seller to a purchaser or of the conveyance by the undersigned as grantor. The assessments described herein and similar assessments against lots or tracts in other areas of Lake Medina Shores Subdivision may be used for the construction, reconstruction, improvement and permanent maintenance of roads and streets, swimming pools, parks, boat ramps, piers, playgrounds, cabanas, community building bond coverage related to any such improvements, facilities, guards or personnel, and for any and all other uses and purposes which the Board of Directors of Lake Medina Shores Owners Association may approve as being for the general benefit of, or useful to, owners and purchasers of lots in Lake Medina Shores Subdivision, including, without being limited to, the repayment of any advances which may be made by the undersigned to cover the cost and expense of any of such purposes and uses. The use and benefit of the above described improvements and facilities shall be restricted to owners and purchasers of lots in Lake Medina Shores Subdivision, their families and authorized guests, except that said presently existing two-acre park, boat ramp and fishing pier may also be used by certain land purchasers to whom Great Southern Realty Co. has granted or may grant the right of use. Neither Lake Medina Shores Owners Association nor the officers, directors nor employees of said Association shall have any obligation, responsibility nor liability for the failure or inability to assess or collect any of such assessments. "Lake Medina Shores Subdivision", as such term is used herein, shall include the property covered by these restrictions, all other property in Bandera County, Texas, which may have heretofore or may hereafter be subdivided and platted by either Medina Development Company or the undersigned as a portion of Lake Medina Shores Subdivision, and all property in Lakeshore Subdivision No. 1 (as shown by plat recorded in Volume 1, Page 48, Plat Records, Bandera County, Texas) which may have been owned, or may hereafter be owned, and sold by either Medina Development Company or the undersigned.

The assessment described herein shall be and is hereby secured by a lien on each lot hereunder, respectively, and shall be payable to Lake Medina Shores Owners Association, the owner of said assessment funds, on January 1 of each year commencing in 1996, at which date in the year 1996 and in successive years said assessment lien shall conclusively be deemed to have attached. Such assessment shall be payable either in arrears or in advance, as determined from time to time by the Board of Directors of said 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 ten percent (10%) 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. Said assessment lien 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 undersigned. Assessments against lots owned by the undersigned shall accrue, and liens securing same may attach, only during such times as a contract to purchase said lots is then in force; no assessment shall be made against the undersigned 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), and to any lot then owned by the undersigned not covered by a contract with the undersigned 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.

13. No lot which is under a contract of sale then in force, with the undersigned being the seller thereunder, may be subdivided without the consent of the undersigned, its successors and assigns, which consent may be granted or withheld at the sole discretion of the undersigned, its successors or assigns. 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 undersigned.

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

15. 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 Lake Medina Shores 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 undersigned 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.

Neither the undersigned, nor the Architectural Control Committee, nor the members of said Committee, nor the directors nor officers of Lake Medina Shores 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.

16. At any time after December 31, 2001, 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 Lake Medina Shores 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. Any such amendment or repeal must be recorded in the Office of the County Clerk, Bandera County, Texas, and shall be effective upon the date of such recordation.

17. It is acknowledged that in addition to the restrictions, covenants and provisions herein, the lots covered by these Subdivision Restrictions, all uses of such lots and all improvements constructed or placed thereon are and shall hereafter be subject to those certain Deed Restrictions for Lost Valley Shores, Sections I, II, III and IV, recorded in Volume 147, Page 52, Deed Records, Bandera County, Texas, as same have been and may hereafter be amended, including all provisions therein regarding the rights, powers and authority of the Architectural Control Committee for such Sections of Lost Valley Shores. The Architectural Control Committee established hereunder (i.e., under these Subdivision Restrictions) may in its sole discretion impose or enforce any requirement or provision set forth in said Deed Restrictions, as same have been and may hereafter be amended, in addition to the requirements and provisions hereunder.

18. 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.

