

AMENDED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR PRESTON CLUB CLASSICS PHASE THREE, GRAYSON COUNTY, TEXAS

Robert J. Tate, Christopher B. Rehmet, and Claire T. Rehmet (Declarants), owners of Preston Club the Classics Phase Three, a platted subdivision in Grayson County, Texas as per plat filed of record in Volume 19 Page 46 of the Plat Record of Grayson County, Texas hereby impose restrictive covenants and conditions on said property for the benefit and protection of the owners of said property and the regulation of the use of the property.

These restrictive and protective covenants and conditions apply only to lots one (1) through thirty-nine (39), Block One (1) and lots one (1) through twenty-nine (29) Block Two (2) of Preston Club - Preston Club the Classics Subdivision Phase Three as per plat thereof recorded in Volume 19, Page 46 of the Plat Records of Grayson County, Texas. These restrictive and protective covenants and conditions may be imposed on other property by reference hereto as set forth herein, but Declarants expressly reserve the right to include or to exclude other land from these restrictive covenants and conditions.

Covenants, conditions and rights hereof are set out as follows:

1 Definitions.

In addition to the terms elsewhere defined, the following terms shall have the meanings hereinafter specified, regardless of case.

1.1 Architectural Control Committee: The Architectural Control Committee shall have architectural and landscaping control over Preston Club the Classics Subdivision Phase Three, as well as any other powers as set forth herein or as the Association may confer upon the committee.

1.2 Articles and By-laws: The Articles of Incorporation and By-laws of the Association, respectively.

1.3 Association: Shall refer to the PRESTON CLUB CLASSICS PHASE THREE HOMEOWNERS ASSOCIATION, which may be incorporated or an unincorporated association.

1.4 Board: The Board of Directors of the Association.

1.5 Common Area: Any and all areas of land owned, leased or otherwise held by the Association for the common use and enjoyment of the Owners and Residents, including easements, private streets, perimeter landscaped lots and licenses, together with any and all improvements that are now or that may hereafter be constructed thereon. However, the Common Areas shall not include the separate privately owned Preston Club Golf Course and Country Club geographically situated throughout Preston Club Estates.

1.6 Declarants: Robert J. Tate, Christopher B. Rehmet, and Claire T. Rehmet

1.7 Declaration: This Declaration of Covenants, Conditions and Restrictions, as amended from time to time.

1.8 Governing Documents: This declaration, the Bylaws, and the Articles of Incorporation.

1.9 Lot: A tract of land including any portion of a platted lot in the Subdivision.

1.10 Member: A member of the Association.

1.11 Owner: The record owner, or owners if more than one, of a Lot, including Declarants to the extent that Declarants own any lots.

1.12 Property or Development or Subdivision: Preston Club The Classics Subdivision Phase Three as described in plat recorded in Volume 19, Page 46, of the Plat Records of Grayson County, Texas.

2. **Use Restrictions.**

The use of the property of each Lot shall be restricted in accordance with the following provisions in addition to all other covenants, conditions, and restriction herein contained or elsewhere provided.

2.1 One Family Dwellings. No Lot shall be used for any purpose except for the erection and maintenance thereon of one (1) private dwelling house designed for the occupancy of a single family and reasonable and customary accessory structures not designed or used for living quarters except by domestic servants living on the premises. No Lot shall be used in conjunction with any purpose inconsistent with a private dwelling house use.

(a) All Lots shall be used for residential purposes only. No Lot shall be used for the operation of a day care or any other business or professional purposes of any kind or for any commercial or manufacturing purpose, except that the resident of a Lot may conduct business activities within the Lot so long as (a) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Lot; (b) the business activity does not involve regular visitation of the Lot by clients, employees, customers, suppliers or other business invitees or door-to-door solicitation of residents of the Lot; and (d) the business activity is consistent with the residential character of the Lot and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Property, as may be determined in the sole discretion of the Board.

(b) The terms "business" and "trade", as used in this provision, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis which involves the provisions of goods or services to persons other than the provider's family and for which the provide receives a fee, compensation or other form of consideration, regardless of whether (a) such activity is engaged in full or part time, (b) such activity is intended to or does generate a profit, or (c) a license is required. The leasing of a Lot shall not be considered a business or trade within the meaning of this subsection .

(c) No business, building or structure shall be erected, altered, placed or permitted to remain on any Lot other than a single-family dwelling and a private garage for four or

more automobiles. No building or structure on any Lot shall exceed two and one-half stories in height.

2.2 Lot size. No Lot shall be smaller than the smallest platted Lot in the Property.

2.3 Frontage. All dwellings shall be constructed to front on Robert's Run.

2.4 Setbacks and side lots. All dwellings and accessory structures shall be erected and maintained twenty-five feet (25') or more from the front property line of the Lot, and twenty-five feet (25') or more from the back property line. No dwelling or accessory building shall be constructed nearer than seven feet (7') to a side Lot line.

2.5 No building shall be erected, altered, placed or permitted to remain on any Lot other than a detached single family dwelling that shall not exceed two and one-half stories in height, a garage for not more than four cars, a servant's house for the use of bona fide servants, and out buildings of matching material and appearance as the main residence.

2.6 The living area of the main structure exclusive of one story open porches and garages shall be a minimum of Two Thousand Two Hundred (2,200) square feet.

2.7 All dwellings shall be constructed of stone, masonry, brick, stucco or of a glass building material of the kind usually used for outside wall construction, to the extent of one-hundred (100%) percent of the area of the outside walls excluding windows and doors. Any deviation from the preceding must be specifically approved by the Architectural Control Committee. Neither Hardi-plank nor any EFIS ("drive-it" or any similar type exterior construction) shall be allowed unless expressly approved in writing by the Architectural Control Committee.

2.8 All roofs constructed upon any dwelling and/or other structures constructed, erected, or located upon any Lot shall be constructed with a minimum pitch of 10' by 12', unless a variance from this restriction is specifically approved in writing by the Architectural Control Committee.

- (a) All roofs shall be constructed of wood shingle, wood shake, slate, standing seam metal, aluminum, concrete or other materials as may be specifically approved in writing by the Architectural Control Committee, taking into account harmony, conformity, color, appearance, quality and similar considerations. No three tab asphalt strip shingles will be permitted.

Laminated, multiple-ply composition shingles will be allowed should they meet all of the following conditions:

- (a) Must carry a minimum thirty (30) year manufacturer's warranty.
(b) Must be a premium, super-heavyweight multi-dimensional appearance with the greatest resemblance to weathered wood shake or shingles, in depth and perception.
(c) Overlayment with new roofing will not be permitted over the existing wood shake or shingles.
(d) Must be of a color most closely resembling weathered wood.
(e) Must be specifically approved in writing by the Architectural Control Committee.

2.9 Fences

- (a) All Lots within Block two (2), which are on the interior of the loop created by Robert's Run, must be fenced with a black wrought iron fence that is contiguous with the rear lot line, and Lot 4 within the block two shall also have a wrought iron fence along the 62.92feet of the lot line that is on the west side of the lot and extends to the south side of the lot, and Lot 21 within the block two shall have a wrought iron fence along the west lot line that extends from the rear line and 112.16feet to the south and adjoins with the corner of lot 22. All wrought iron fencing within the subdivision shall be built as follows:
- (1) The shape, design, and color of the wrought iron fence shall be uniform throughout the subdivision and shall be constructed in accordance with specifications as set forth by the Architectural Control Committee.
 - (2) The rear elevation of the fence must be built on the rear lot line and must extend the full width of the Lot.
 - (3) Construction of the front and side elevations of fencing shall be optional, but if built, must be consistent with the rear wrought iron fence.
 - (4) If additional privacy is desired, hedges may be grown along the front and side elevations, or brick or stone walls may be constructed in the place of the wrought iron but must be pierced. In any event the rear fence must be of wrought iron and hedges may be grown if privacy is desired.
 - (5) Plans and specifications showing the material, design, and appearance of any brick or stone walls shall be submitted to the Architectural Control Committee for approval in accordance with paragraph 19.1 et. seq. and must be pierced.
 - (6) All wrought iron fences must be repainted flat black every March 31 of every odd year, unless a variance is granted by the Architectural Control Committee.
- (b) The lots numbered 1 through 12, and 23 through 39 within Block one (1), or the exterior of the loop created by Robert's Run, must have a privacy fence built along the entire length of the rear lot line. The Lot numbered 31 within Block 1 must have a privacy fence built along the rear lot line and the side lot line that curves from north to east. The privacy fence referred to in this paragraph must be constructed before any resident occupies any home on such lot. In addition, the privacy fence design, appearance, material, and stain or solid body will be set forth by the Architectural Control Committee. All wood privacy fencing shall be uniform throughout the subdivision.
- (1) Side lot lines may be fenced with the same type of fencing referred to in paragraph (b) above, or may be built of brick or stone. Plans and specifications showing the material, design, and appearance of any brick or stone walls shall be submitted to the Architectural Control Committee for approval in accordance with paragraph 19.1 et. seq. and must be pierced. The side and front elevations of the fence may also be wrought iron and constructed and maintained in accordance with 2.9 (a)(1)-(6).

- (2) All posts shall face the interior of the lot so as not to be visible from public view.
- (3) The front facing portion of fences built within Block one (1) of the subdivision must be built so that they are within 20 feet of the rear elevation of the dwelling.
- (c) The lots within Block one that are not required to have a privacy fence may be fenced with wrought iron in accordance with 2.9 (a)(1)-(6) or privacy fencing in accordance with 2.9 (b) (1)-(3).
- (d) All fencing excluding brick and stone must be uniform in material and design as set forth by the Architectural Control Committee. All fencing of any kind shall be maintained in a plumb, level, and straight fashion at all times. All sides of every wood fence shall be sprayed with the same color stain or solid body as originally applied by every March 31 of every odd year, unless a variance is granted by the Architectural Control Committee.
- (e) Enforcement. In the event the homeowner does not comply with any part of 2.9, the Association shall have the right to enter and inspect the property and take any steps necessary to bring the fence or wall into compliance with these covenants and restrictions. The Association shall bill the homeowner for the cost and may, at its discretion, penalize the homeowner \$25.00 per day to be assessed as a reimbursement assessment as set forth in these restrictions.

2.10 No animals, livestock, or poultry of any kind shall be raised, bred or kept on any lot, except dogs and cats. Dogs and cats may not exceed two (2) in the aggregate, and may not be kept, bred or maintained for any commercial purpose.

- (a) No pet may be allowed to roam at large unleashed. Dogs or cats at large are not allowed, even if they are under voice control. The Association may provide written notice of any violation to the owner in accordance with paragraph 11 of these restrictions. The Association may fine an owner \$50.00 for any subsequent occurrence after ten (10) days from the date notice was mailed and treat the fine as a reimbursement assessment.
- (b) If a pet is a nuisance, aggressive, or noisy so that any complaint is made about the pet to the Association, then the Association may, at its discretion, require that the pet be permanently removed from the development. The Association must deliver written notice of their decision to banish a pet from the development to the home on the lot where the pet is kept. If any owner fails to comply within thirty (30) days of the date of the written notice, a penalty of \$25.00 per day shall accrue until such time as the pet is forever removed from the development.

2.11 No sign shall be erected or maintained on any Lot except a "for sale" or "for rent" sign not exceeding six (6) square feet in size or a sign owned by the Declarants. Street address identification shall be uniform in a manner prescribed and approved by the Architectural Control Committee.

2.12 No external radio, television, or other aerial antenna shall be permitted and no aerial antenna shall be maintained on any Lot not containing a dwelling. No television satellite dish exceeding three feet in

diameter, microwave receiving unit or other similar structure shall be erected, maintained or permitted on any Lot, and allowed receiving unit shall not be visible from the street.

2.13 No Lot or any portion of a Lot shall be used for the dumping or storage of rubbish, trash, rubble, surplus soil, rocks, concrete or other construction material or debris. If the owner of a Lot employs contractors to build upon a Lot, and the contractor or any subcontractor causes any of the aforementioned items to be deposited on any other lot, common area, easement, or adjoining land that is adjacent to the development, then the Association may remove the items and charge the cost of the removal to the owner as a reimbursement assessment. In addition, the Association may deliver written notice to the owners by posting such notice at the construction site, or depositing such notice in the mail addressed to the address of record provided by the owner to the Association, that the owner has failed to comply with this section, and if the items are not removed and properly disposed of within ten days of the day that the notice was mailed or posted, then the owner shall be penalized \$25.00 per day until compliance is met. This penalty is to be treated as a reimbursement assessment.

2.14 Trash must be bagged and placed in a plastic covered receptacle, 55 gallons or greater when put out for pick up.

2.15 No recreational vehicles, including , but not limited to , RV's, campers, boats or water craft of any type, four wheelers, three wheelers, motorcycles, or any other vehicle, shall be parked on any lot, unless it is enclosed within the garage and not within the public view.

2.16 Any portion of any structure on any Lot that is exposed to the public view must be maintained by the Owner in a neat and orderly fashion. The Association shall determine in its discretion what condition will be deemed neat and orderly and what maintenance may be required. The terms "neat and orderly" shall be defined to include, but not be limited to, the following:

- (a) Gutters must be maintained in a plumb and square fashion.
- (b) Shutters must be maintained in good repair and in a plumb and square fashion.
- (c) The elevations of any home shall not vary from the design submitted to the Architectural Control Committee. This means that items such as stars, moons, animal shapes, religious insignia or any other type of insignia, banners, signs or art work cannot be placed or hung upon the exterior of the home unless those items were shown on the elevation plan submitted to the Architectural Control Committee.
- (d) Items such as insignia, statuettes of any type, inanimate depictions or statues of animals of any type, artificial flowers, artificial shrubbery, scarecrows of any size or type, orbs or balls that are decorative in nature, bird baths in the front yard, benches, chairs or other furniture, may not be placed onto any lot on the lawn. The Association may require an owner to remove these or any other items that, in the discretion of the Association, clutter the exterior of a home or a yard. Decorations for religious holidays or national holidays, including, but not limited to Halloween, Valentine Day, President's Day, Martin Luther King Day, New Year's Day, the Fourth of July, Memorial Day, Labor Day, Thanksgiving are permitted but may only be present thirty (30) days in advance and fourteen (14) days after the holiday.

- (e) Any dog house must be flush against the rear elevation of the house and hidden from public view.
- (f) All poles are prohibited, including flagpoles and birdhouses mounted on poles. One flag may be flown from the front porch or immediately adjacent to the front door.
- (g) Painted surfaces must be kept in a clean and neat fashion, not cracked or dirty.
- (h) The association may require any owner to stain or paint any exterior surface that is not constructed of masonry if the surface appears weathered, dirty, faded, cracked, or grey.

In the event this restriction 2.16 (a) – (h) is not complied with, the Association may cause maintenance to be performed so as to bring the home into compliance with these restrictions. The cost of such maintenance shall be billed to the owner as a reimbursement assessment. In addition, the Association may penalize an owner \$25.00 per day after written notice of the non-compliance is placed in the mail to be delivered to the home on the lot, the owner's address of record, or posted on the lot. The owner will be allowed thirty (30) days from the date the notice is placed in the mail or posted to comply with this paragraph. Any such penalty shall be considered a reimbursement assessment.

2.17 No mineral development operation, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot, nor shall oil wells, water wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Lot. No derrick or other similar structure shall be erected, maintained or permitted upon any Lot.

2.18 No out-buildings, shop, trailer, mobile home, storage shed, barn, tent or pre-constructed building shall be used on any Lot as a permanent or temporary residence shall be permitted. No building material of any kind or character shall be stored upon any Lot before the Owner is ready to incorporate the building materials into improvements.

2.19 Outside clotheslines or other outside facilities for drying or airing clothes shall not be erected, placed or maintained on any Lot.

2.20 All entrances shall provide for low water crossings. No culverts shall be installed. Such entrances shall not impede the flow of drainage of water over and across the Lot or any ditches.

2.21 The front of all mailboxes must be recessed four feet (4') from paved street and adjoin the street extension referred to in paragraph 2.32, and be placed at least ten feet from any side lot line.

2.22 No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon which may become an annoyance or nuisance the neighborhood.

2.23 No exterior lights for tennis courts and/or swimming pools may be installed, until express written approval is obtained from the Architectural Control Committee. Should such lighting become objectionable to any other Owner, the Architectural Control Committee may require alteration or removal of the lighting. Pools may not have slides. Pool toys, floats, balls, or other items that are used in conjunction with the pool must be kept in an enclosed container or in the residence or garage. They shall not be left out in the yard.

2.24 All houses and permitted structures shall be completed within nine (9) months, once construction is commenced. The housing of the mailboxes for residential structures shall be constructed of like masonry material and built to the exact specifications declared by the Architectural Control Committee. There shall be no exterior newspaper tubes or freestanding mailboxes, except as may have been initially installed by Declarants or in accordance with the exact specifications of the Architectural Control Committee.

2.25 No equipment or machinery, including but not restricted to automobiles, tractors and motorcycles, shall be allowed to remain on any portion of any Lot for more than twenty-four (24) hours except in an attached garage. Provided, however, this restriction shall not apply to machinery used in the construction during construction on the Property or to vehicles of temporary house guests. Any unauthorized vehicle can be towed immediately at owner's expense without notice.

2.26 No garage and storage area shall be converted, or be regularly used as part of the living area, recreational area or family area, unless prior to such conversion there shall be erected a comparable garage and storage area attached to main dwelling, with concrete driveway and concrete floor at least equal in size to that so converted, and all plans including landscape must be approved by the Architectural Control Committee.

2.27 Under no circumstances or conditions shall any automobile or other vehicle be parked on a non-paved portion of any Lot or any easement. Any vehicle so parked may be towed immediately without notice at owner's expense.

2.28 Any person who parks a vehicle on the paved roadway will have their vehicle towed after 24 hours at the owner's expense.

2.29 The Association shall have the power to tow any vehicle consistently parked in the paved roadway as determined by the Architectural Control Committee.

2.30 If a homeowner wishes to have propane or other stored gas, the gas storage shall be located at rear of house and shall be buried underground, in no way visible from the street.

2.31 If lot preparation or lot leveling causes a lot to be more than 18 inches higher than the adjoining lot, the Owner of the lot being prepared or leveled shall be responsible for the installation of a retaining wall constructed of stone, brick, or concrete materials which must be specifically approved by the Architectural Control Committee prior to construction.

2.32 Prior to residency, each owner shall construct a four foot (4') concrete extension, reinforced with re-bar 16 inches on center immediately adjacent to, touching, and matching the appearance of Robert's Run which will serve as an extension to the paved part of Robert's Run, and which shall extend the entire length of the lot.

2.33 Prior to occupancy, the owner shall call for a member of the Board to send an agent of the Board inspect the construction for compliance with this declaration. Immediately after the inspection, the inspector shall issue a written approval or a denial if the construction violates any part of this declaration. If a written denial is issued, then no occupancy may occur until the violation is remedied and a subsequent inspection occurs. Immediately after the inspection, the inspector shall issue a written approval or a denial if the construction still violates any part of this declaration. All violations must be remedied and written approval obtained prior to occupancy.

2.34 No above ground swimming pools shall be allowed. Trampolines, swing sets, forts, children's playhouses, slides or any other structures that are designed for recreational use or entertainment must be earth tones or black, not brightly colored unless approved of in writing by the Architectural Control Committee. Violation shall be subject to a 25.00 per day penalty assessed as a reimbursement assessment upon notice as set forth in Paragraph 11.

2.35 Tricycles, bicycles, tools of any type, toys, pet toys and other personal property may not be left out on any lot so that it is subject to the public view for more than 48 hours. Hoses must be coiled and not left out upon a lawn or flower bed for more than 48 hours. Violation shall be subject to a 25.00 per day penalty assessed as a reimbursement assessment upon notice as set forth in Paragraph 11.

3. Residential Maintenance Requirements

3.1 The Owner of each Lot shall be responsible for the maintenance of the Lot in a neat and attractive condition which will include:

- (a) Flower beds a minimum of twenty four inches (24") in width must be installed and maintained the length of the street facing elevation of the dwelling where the soil remains exposed. This required bed must contain living shrubs spaced at a minimum of twenty-four inches (24") apart down the length of the bed. All flower beds must be free of weeds and grass, and be mulched with hard wood mulch to a depth of at least three inches. Any dead foliage must be removed. All beds must be bordered by metal edging, rock, brick, or concrete.
- (b) Planting, maintaining and replacing if necessary at least two (2) live oak trees of no less than two inches of trunk diameter.
- (c) Planting or sodding grass or ground cover, regularly fertilizing and mowing grass, never letting the grass of any established lawn exceed more than four inches in height. Keeping ground cover free of weeds and grass other than that originally planted.
- (d) Removing all dead trees and shrubbery from the Lot.
- (e) Each Lot Owner is responsible for maintaining the lawn over that portion of the lot included in easement and setback areas.
- (f) Sod is required on all lawn not designated as a flower bed and sprinkler systems are required to be installed for maintenance of all lawn areas.
- (g) Trees and shrubs must be pruned so as to appear neat and attractive.
- (h) Landscaped areas must be watered.
- (i) In the event the owner does not comply with the forgoing provisions, the Association or its agents shall have the right to inspect and right to enter the property to bring the property into compliance. The Association shall bill the homeowner for its cost. In addition, the Association may provide the owner with written notice of the failure to comply, delivered to the home on the lot that is not kept in compliance, or placed in the mail and addressed to the owner's address of record. If the landscaping is not brought into compliance within thirty days, the owner shall be fined \$25.00 per day until the compliance is met. The cost incurred and the fine imposed shall be treated as reimbursement assessments.
- (j) Alternate additional landscaping is permissible but only if plans or specifications are submitted to and approved in writing by the Architectural Control Committee.

4. Common Areas.

4.1 Each Owner shall be liable to the Association for any damages to any portion of the Common Areas caused by the negligence or willful misconduct of the Owner or his family or guests.

4.2 The Association shall have the power and authority to prescribe rules and regulations governing the use of Common Areas in addition to existing laws and ordinances which extend to and cover such matters as (but not limited to) smoking, the possession and consumption of alcoholic beverages and illegal substances, loud obnoxious noises and behavior, dress and attire and the supervision by attending adults of children. No person (excluding the Declarant) shall use any portions of the Common Areas to:

- (a) Solicit, promote or conduct business, religious, political or propaganda matters;
- (b) Distribute handbills, newsletters, flyers, circulars or printed material,

without the written consent of the Association (which consent may be withheld in its sole and absolute discretion). The Association may, on its own motion, permit and allow town hall meetings, voting precincts, community garage sales and bazaars and other reasonable activities to occur on the Common Areas in accordance with the rules and regulations deemed reasonable and appropriate by the Association.

5. Easements Reserved.

5.1 Utilities. No building or other permanent structure shall be erected or maintained within areas designated on the Plat as Utility and/or drainage easements without a variance from the Architectural Control Committee and approval of Grayson County.. Declarants reserve a perpetual easement in, on and under the lots of the width and extent as shown on the Plat, for the purpose of laying, placing and maintaining utilities, and Declarants reserve a perpetual easement in, on and under the streets as shown on the Plat, for the purpose of laying, placing and maintaining the utilities, with the right to go upon such lots and streets to place, erect, repair, maintain and remove utility installations without interference.

5.2 Streets. Private streets are reserved for the use of Declarants, Declarant's successors, and assigns, Owners of Lots in the Property, Owners of Lots in Property to be annexed at a later date within the general area of the Preston Club Development. The right to use streets shall also extend to guests, employees, servants, of any Owner, or a contractor performing services for an Owner of a Lot or property in a subsequently developed property. The Association shall bear the responsibility for repair and maintenance of private streets out of any assessments collected from its Members.

6. Additions to the Existing Property.

These Restrictive Covenants shall initially apply only to Preston Club - The Classics Subdivision Phase Three as aforesaid and Declarants have no obligation express or implied to impose the same or similar restrictions on any other property. However, additional land may be subject to this Declaration in the following manner:

- (a) Declarants own land in the general area known as the Preston Club area. Any of the land presently owned by Declarants may be included in the restricted area covered by these restrictions if Declarants file a Supplementary Declaration which incorporates all or part of these restrictions and which may contain additional or different terms and conditions and in such event the entire area so declared will be covered by these general restrictions subject to whatever modifications,

changes or differences may exist between individual areas as set out in such Supplementary Declaration.

- (b) Upon approval in writing by Declarants and of the Association pursuant to a vote of the Members as provided in its By-laws" the owner other than Declarants of any property desiring annex of such property to the restricted area and having the owners of lots in such property become members of the Association, may file of record a Supplementary Declaration of Covenants and Restrictions which shall extend the scheme of covenants and restrictions of this Declaration to such property. The Declaration may incorporate all or any part of the restrictions and may impose additional restrictions and covenants. However Supplementary Declaration must be presented and approved by Declarants and the Association as aforesaid in its final wording before it may be filed and before such property becomes annexed to the restricted area.
- (c) Upon a merger or consolidation of the Association with another association, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association or, alternatively, the properties, rights and obligations of another association may, by operation of law, be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established by this Declaration within the existing property together with the covenants and restrictions established upon any other properties as one scheme. No such merger or consolidation, however, shall affect any revocation, change or addition to the covenants established by this Declaration with the existing property except as hereinafter provided.

Common Areas designated in the Declaration of additional property under these Restrictions shall be Common Areas within the definition of these restrictions subject to use requirements and maintenance as heretofore provided. Unless otherwise specified in the Declaration, property owners of the added property shall be members of the Association and responsible for dues and assessments as all other Members of the Association.

7. Membership and Voting Rights in the Association.

7.1 Every person or entity who is a record Owner of a fee interest in any Lot and which is subject by covenants of record to assessment in the Association shall automatically be a Member of the Association provided that any such person or entity who holds such interest merely as security for the performance of an obligation shall not be a Member.

Members shall be all those owners defined in this Section with the exception of Declarants. Members shall be entitled to one vote for each lot in which they hold an interest required for membership as set forth in and as limited by the By-laws of the Association. Members shall not have any voting rights until after the development phase of the property is complete, as set forth in the By-Laws. When more than one person holds such interest or interests in any Lot, all such persons shall be Members and the vote for such Lot shall be exercised as they, among themselves, determine, but in no event shall more than one vote be cast with respect to any such Lot.

7.2 Declarants shall own one (1) membership for each Lot owned by them in the subdivision and shall be entitled to all rights and privileges of Membership in the Association with respect to each Membership they

hold; however, Declarants shall not be assessed dues on Memberships. Anyone acquiring a Lot from Declarants shall automatically become a Member of the Association as above provided.

7.3 Preston Club Master Property Owners Association. Declarants reserve the right to merge Property Owners Association noted by this declaration into the Property Owners Association covering other lots in the Preston Club area, and in the event of such merger Declarants may impose provisions required under this declaration on owners of lots covered by this declaration.

8. Lot Owner Assessments

8.1 The Declarants for each Lot owned by them within the Property hereby covenants and each purchaser of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, be deemed to covenant and agree to pay to the Association: (1) annual assessments or charges; (2) special assessments for capital improvements; (3) reimbursement assessments, such assessments to be fixed, established and collected from time to time as hereinafter provided. The annual, special, and reimbursement assessments, together with such interest thereon and costs of collection thereof as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessments is made. The inception of the lien shall be the date of the assessment. Each such assessment together with such interest thereon and cost of collection thereof as hereinafter provided, shall also be the personal obligation of the Owner of the Lot at the time when assessed.

8.2 The assessments levied by the Association shall be used exclusively for the purpose of preserving the property values and of promoting the recreation, health, safety and welfare of the residents and Owners in the Property, and in particular for the improvement and maintenance of property, services and facilities devoted to this purpose and directly related to the use and enjoyment of the "Common Areas" and of the homes situated upon the Property, including, but not limited to, the payment of taxes and insurance thereon and repair, replacement and additions thereto, and for the cost of labor, equipment, materials, management and supervision thereof, and for carrying out the purposes of the Association as stated in its By-laws.

8.3 Amended and deleted.

8.4 An Owner is required to pay annual assessment fee of three hundred sixty-five dollars (\$365.00) for 2007 or its pro rata portion calculated on a calendar year basis at the time of the real estate lot closing, per Lot. All Owners, unless herein exempted, shall pay their annual fee on or before the date of January 1st. These covenants and restrictions shall serve as written notice of the next annual assessment fee and satisfy any and all written notice requirements for Owners mentioned herein. From and after such January 1st anniversary date the annual assessment shall automatically increase for each subsequent Fiscal Year by five percent (5%) of the previous year's assessment.

8.5 The Board of the Association may, after consideration of current maintenance costs and future needs of the Association, fix the actual assessment for any year at a lesser amount.

8.6 In addition to annual assessments, the Association may levy in any year a special assessment, applicable to the year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Areas, including the necessary fixtures and personal property related thereto, or funds needed to indemnify any board member. After the Members acquire voting rights, any such assessment must have the affirmative vote of two-

thirds of the membership, voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be given to all Members at least thirty (30) days in advance and shall set forth the purpose of the meeting. Before the time that the Members receive voting rights, the Board may make a special assessment on their own motion and without a vote of the Members.

8.7 Change in Annual Assessments. Subject to the limitations hereof, and for the periods therein specified, the Association may change the annual assessments fixed hereunder for a specified period. After the Members acquire voting rights, any such change shall have the affirmative vote of two-thirds of the membership, voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be given to all Members at least thirty (30) days in advance and shall set forth the purpose of the meeting, provided further that the limitations hereof, shall not apply to any change in assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate. Before the Members acquire voting rights, the Board may make change the amount of the annual assessment on their own motion and without a vote of the Members.

9. Quorum for Change in Annual Assessment or Special Assessment

The quorum required for any change in Annual Assessment or Special Assessment hereof shall be as follows:

(a) The presence at the meeting of Members, or proxies delivered to the secretary as set forth in the By-laws, entitled to cast sixty (60) percent of all of the votes of the membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth herein, and the required quorum at any such subsequent meeting shall be one-half of the required quorum at the preceding meeting, provided that no such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

(b) If the annual assessment is changed by the Board, or a special assessment is levied by the Board, prior to the time that members have voting rights, two-thirds of the Board of Directors shall constitute a quorum.

10. Date of Commencement of Annual Assessments

10.1 The annual assessments provided for herein shall commence upon the closing of the first Lot sold within the subdivision unless the purchase is made pursuant to an option agreement as set forth in 10.3.

10.2 The first annual assessments shall be made for the balance of the calendar or fiscal year and shall become due and payable on the close of the Lot purchase. The assessments for any year, after the first year, shall become due and payable on the first day of the calendar or fiscal year as so selected by the Board.

10.3 The date of commencement of annual assessments for the Horseshoe run Partners, LP for any Lot purchased pursuant to an option agreement between Horseshoe Run Partners, LP and Robert J. Tate shall be January 1 of the year immediately following the year of closing of the aforementioned Lot.

10.4 The amount of the annual assessment which may be levied for the balance remaining in the first year of assessment shall be an amount which bears the same relationship to the annual assessment provided for herein as the remaining number of months in that Association year bears to twelve; the same reduction in the

amount of the assessment shall apply to the first assessment levied against any property which is hereafter added to the Property now subject to assessment at a time other than the beginning of any assessment period.

10.5 The due date of any special assessment, shall be fixed in the resolution authorizing such assessment.

11. Reimbursement Assessment

11.1 The Association shall levy as assessment against any Owner as a result of whose failure to comply with these restrictions, the Association rules and/or the Architectural Control Committee rules any monies that were expended by the Association from the operating fund in performing its functions under these restrictions. Such assessments shall be for the purpose of reimbursing the Association, shall be limited to the higher amount of so expended or \$25.00 and shall be due and payable to the Association when levied.

11.2 Reimbursement Assessments shall also include all penalty or fines levied pursuant to this declaration or rules as set forth by the Association or the Architectural Control Committee.

11.3 The Association and the Architectural Control Committee may pass rules as are necessary to provide for the upkeep, maintenance, and aesthetic quality of the development. Those rules may include a penalty in the event of an owner's failure to comply.

11.4 In the event that an owner violates any portion of this declaration or any rule created by the Association or the Architectural Control Committee, the Association shall place a notice of the violation in the mail to the address of record for the owner, or post such notice on the Lot in question. If the owner does not comply with the rule within thirty (30) days, or less as prescribed in these declarations or the rule, the owner will be subject to the penalty as prescribed by these declarations or the rule. The penalty shall be due when assessed and shall be treated as a reimbursement assessment. In the event that the owner violates a particular subsection of these declarations or a rule twice, then the notice shall be a ten day notice effect from the date the notice was placed in the mail or posted on the lot. If the owner violates the subsection or rule three times or more, then the notice shall be effective three days from the date the notice was placed in the mail or the same day that the notice is posted on the lot.

11.5 If an owner does not remedy the violation within the notice period as set forth in 11.4, then the association may fine the owner 25.00 per day, or more as set forth in these declarations, until such time as the owner complies with these declarations or the rule in question.

11.6 The reimbursement assessment may become a lien on any Lot owned by an Owner so long as the Association provides written notice of the Owner's failure to comply with these restrictions or any rules as set forth in 11.4.

12. Duties of the Association and the Board of Directors

12.1 The Board shall fix the date of commencement and the amount of the assessment against each lot for each assessment period at least thirty (30) days in advance of such date of period and shall, at that time prepare a roster of the properties and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner.

12.2 Written notice of the assessment shall thereupon be sent out to every Owner subject thereto.

12.3 The Association shall upon demand at any time furnish to the Owner liable for said assessment a certificate in writing signed by an officer of the Association, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

12.4 The Board, on behalf of the Association, shall have full power and authority to contract with any Owner (including, without limitation, the Declarants) for performance, on behalf of the Association, of services which the Association is otherwise required to perform pursuant to the terms hereof, such contracts to be upon such terms and conditions and for such consideration as the Board may deem proper, advisable and in the best interest of the Association.

12.5 The Association shall have the right and option to purchase, carry and maintain in force insurance covering any and all portions of the Common Areas, any improvements thereon or appurtenant thereto, for the interest of the Association, its Board of Directors, officers, managers, agents and employees, and of all Members of the Association, in such amounts and with such endorsements and coverage as shall be deemed appropriate by the Board and/or as specifically required by the eligible Mortgagees or eligible insurers. Such insurance may include, but need not be limited to:

- (a) Insurance against loss or damage by fire and hazards covered by a standard extended coverage endorsement in an amount which shall be equal to the maximum insurable replacement value, excluding foundation and excavation costs;
- (b) Comprehensive public liability and property damage insurance on a broad form basis, including coverage of personal liability (if any) of the Board of Directors, Owners and Members in respect to the Common Areas;
- (c) Fidelity bonds for all officers and employees of the Association having control over the receipt or disbursement of funds; and
- (d) Liability insurance regarding the errors and omissions of directors, officers, managers, employees and representatives of the Association.

12.6 The Association shall be the exclusive representative of the Members in any proceedings, negotiation, settlements or agreements concerning insurance or condemnation applicable to Common Areas. The Association and the Members may use the net insurance or condemnation proceeds to repair and replace any damage or destruction to property, real or personal, covered by such insurance or condemnation. Any balance from the proceeds of insurance or condemnation paid to the Association, remaining after satisfactory completion of repair or replacement or after the Board has elected to waive the repair, restoration or replacement, shall be retained by the Association as part of a general reserve fund for repair and replacement of the Common Areas.

12.7 If the insurance or condemnation proceeds are insufficient to repair or replace any loss or damage of or to the Common Area, the Association may levy a special group assessment as provided for in paragraph 8 and it's subsections of this declaration to cover the deficiency.

12.8 Neither any Owner nor the directors, officers, or managers of the Association shall be personally liable for debts contracted for or otherwise incurred by the Association or for any torts committed by or on behalf of the Association or for a tort of another Owner, whether such Owner was acting on behalf of the Association or otherwise. Neither the Declarants, the Association, its Board, officers, managers, agents or employees shall be liable for any actual, incidental or consequential damages for failure to inspect any premises, improvements or portion thereof or for failure to repair or maintain the same. The Declarants, the Association or any other person, firm or corporation liable to make such repairs or maintenance shall not be liable for any personal injury or other actual, incidental or consequential damages occasioned by any act or omission in the repair or maintenance of any premises, improvements or portion thereof.

12.9 Rules and Regulations. The Board may make and enforce reasonable rules and regulations governing the use of the Property, Lots and Common Areas, which rules and regulations shall be consistent with the rights and duties established by this Declaration. Such regulations shall be binding upon all Owners, occupants, invitees and licensees, if any, until and unless overruled, canceled or modified in a regular or special meeting of the Association by the vote of a majority of the Members. At least thirty (30) days before the effective date, the Board will give written notice to the members of any revisions, termination, or adoption of a rule that is part of the governing documents. The Board shall at all times maintain the then current and complete rules in a written form which from time to time are distributed to the members and are on file and available through the Association.

12.10 Compliance and Enforcement. Every Owner and occupant of a Lot shall comply with the governing documents. The Association shall be authorized to impose sanctions for violations of the governing documents. Sanctions may include, without limitation, the following:

- (a) Imposing reasonable monetary fines in accordance with this declaration, and any rules created pursuant to this declaration, which shall constitute a lien upon the violator's Lot;
- (b) Suspending an Owner's right to vote and the Owner's right to use or enjoy any Common Area for any period during which any assessment and/or fines against a Lot resided upon by such member remains unpaid;
- (c) Suspending any services provided by the Association to an Owner's Lot if the Owner is more than thirty (30) days delinquent in paying any assessment or other charge owed to the Association;
- (d) Exercising self-help, consistent with the rights and duties established by this Declaration (specifically including, but not limited to, towing of vehicles that are parked or stored in violation of the governing documents: and,
- (e) Levying a Reimbursement Assessment pursuant to Paragraph 11 and its subsections.

In addition to any other enforcement rights, the Association may bring suit in law of in equity, or both, to enjoin any violation or to recover monetary damages, or both. All remedies set forth in the governing documents shall be cumulative of any remedies available at law or in equity. If the Association prevails in any action to enforce the governing documents, it shall be entitled to recover all costs, including, without limitation, attorney's fees, court costs and administrative or management fees reasonably incurred in such action. Failure by the Association to enforce any of the foregoing or any other right or remedy of the Association shall in no event be deemed a waiver of the right to do so thereafter. The Association may

dispatch agents to enter upon any Lot to bring such Lot into compliance with this declaration or rules created pursuant to this declaration. Each Owner assents to such entry.

12.11 Indemnification. The Association shall indemnify every officer, director and committee member to the full extent permitted by Section 1396-2.22.A of the Texas Non-Profit Corporation Act, as amended (but, in the case of any such amendment, only to the extent that such amendment permits broader indemnification than permitted prior to such amendment). Any right to indemnification provided for herein shall not be exclusive of any other rights to which any present or former, officer, director or committee member may be entitled. The Association shall, as a common expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available. The officers and directors shall have no personal liability with respect to any contract or other commitment made or action taken in good faith on behalf of the Association.

13. Effect of Non-Payment of Assessment

13.1 If the assessments are not paid on the date when due, then such assessment shall become delinquent and shall together with such interest thereon and cost of collecting thereof as hereinafter provided, thereupon become a continuing lien on the property which shall bind such property in the hands of the then Owner, the Owner's heirs, administrators and assigns. The personal obligation of the then Owner to pay such assessment, however, shall remain his personal obligation for the statutory period and shall not pass to his successors of title unless expressly assumed by them.

13.2 If the assessment is not paid within thirty (30) days after the due date, an amount of \$150.00 shall be added to the assessment and the entire amount then due shall bear interest from the due date at the maximum rate of interest allowed by law. If the entire amount of the assessment (including the \$150.00 fee) is not paid within the next thirty (30) days then an additional \$25.00 shall be added to the amount due every day thereafter and the entire amount then due shall bear interest from the due date at the maximum rate of interest allowed by law until the assessment and all accumulated fees are paid. In addition, the Association may bring an action at law against the Owner personally obligated to pay the same or to foreclose the lien against the property and there shall be added to the amount of such assessment the costs of preparing and filing the complaint shall include interest on the assessment as above provided and a reasonable attorney's fee to be fixed by the court together with the costs of the action.

14. Exempt Property

The following property subject to this Declaration shall be exempted from the assessments, charge and lien created herein: (a) all properties dedicated and accepted by the local public or quasi public authority and devoted to public use; (b) all Common Areas as defined under definitions as Common Area; (c) all properties exempted from taxation by the laws of the State of Texas, upon the terms and to the extent of such legal exemption; (d) exempt from the payment of assessments are the Declarants. The Declarants shall not be responsible for any costs of the maintenance and operation of the properties or any costs incurred by the Association for the operation of the project, including but not limited to, road maintenance, sign maintenance, gutters, other normal maintenance related to the project. Said release from payment or assessments shall in no way limit the Declarants in the amount of the ownership of the Lots he shall own, but shall exempt them from payment as provided for in this Declaration or in any future amendments to said Declaration. Any lot used as the personal residence of Declarants shall not be exempted. Notwithstanding anything to the contrary herein contained, this paragraph may not be amended under any circumstances.

15. **Enforcement.**

These Covenants and restrictions shall run with the land and shall be binding upon the Declarants and all parties claiming by, through and under the Declarants, and all such parties shall be taken to hold title subject to, and to agree and covenant with Declarants and with each other to observe all of these covenants and restrictions, as herein set forth; however, no parties shall be personally liable for breeches hereof occurring at any time when such party is not the legal title holder of the lot when such violation occurs. Declarants and any owner in the subdivision shall have the right to enforce these conditions, restrictions and covenants by suit for damages, injunction, or specific performance, to obtain injunction, prohibitive or mandatory, to prevent the breach of or to otherwise enforce the observance of these covenants and restrictions. Failure to enforce a breech of any covenant or restriction shall not be deemed to be a waiver or a violation of such restriction or and other restriction contained herein. Neither the Declarants nor the Association shall have any affirmative duty to enforce these restrictions but the right to enforce these restrictions shall be held by the Declarants, the Association and any Owner.

16. **Lien Securing Payment of Assessments.**

The lien securing the payment of any unpaid assessment may be placed of record by Affidavit signed by the President of the Association describing the property upon which the lien exists, the reason for the lien and the property secured by the lien. The debt secured by the lien may include accrued interest, fees, fines, penalties, attorney's fees for the preparation of the lien affidavit and the estimated fees for filing said affidavit. No lien shall be enforceable unless the affidavit is filed within three years after the due date of the unpaid assessment.

17. **General**

17.1 Notwithstanding any other provision hereof, Declarants reserve the right (upon application and request of the Owner of any Lot) to waive, vary or amend (by an appropriate letter to that effect addressed and delivered to such applicant owner by Declarants) the application of any of these covenants and restrictions to such Lot, if, in the sole discretion of the Declarants, such action is necessary to relieve hardship or permit good architectural planning to be effected. Declarants also reserve the right:

- (a) to redivide and re-plat any of the property shown on the Plat at any time if owned by the Declarants, and,
- (b) to change the location of streets and easements prior to the time the same are actually opened for public use or availed of by the public or by public utilities. In no case, however, shall any such waiver, variance, amendment or change deprive any Owner of a Lot to reasonable access to such Lot.

17.2 No additional covenants and restrictions imposed by Declarants in any contract or deed in respect to any lot shall modify or vary the general development plan as herein set out, but any such additional covenant or restriction shall not otherwise be rendered invalid.

17.3 The invalidation by any court, of any reservation, covenant and restriction contained herein or in any contract or deed shall not impair the full force and effect of any other reservation, covenant or restriction.

17.4 The provisions hereof are hereby made a part of each contract and deed in respect of any Lot to the same effect as if fully set forth therein, and each such contract and deed shall be conclusively held to be executed, delivered and accepted upon and subject to the provisions and conditions herein set forth.

17.5 Declarant's interpretation of the meaning and application of the provisions hereof shall be final and binding on all interested parties at any time in question.

17.6 Declarant may at any time appoint a committee of one or more persons to exercise any or all of the discretionary rights and powers reserved herein to Declarant.

17.7 Declarant may assign to any person or corporation any or all rights, powers, reservations, easements and privileges herein reserved by and to Declarant and any such assignee shall have the same right to assign.

18. Architectural Control Committee

18.1 Plans and specification for any new construction, any remodeling or alteration to any existing buildings, walls, fences or landscaping with in the development must be submitted in duplicate to and approved by the Architectural Control Committee prior to the time that any construction or preparation for construction occurs. The term construction includes landscaping. This means that no work whatsoever may begin until the plans and specification are submitted to and approved in writing by the Architectural Control Committee. The plans and specifications must include any and all elements required by the Architectural Control Committee as set forth in their rules or by the Association, including a plot plan, other plans and specifications, or any other information needed by the Architectural Control Committee. The organization, designation of members and terms of office, duties, meetings, rules, application for approval of improvements, basis for approval of improvements, form of approval, proceeding with work, failure to complete work, inspection of work, application for preliminary approval, waiver, estoppel certificates, liability, and builder approval are as set forth in the By-laws of the Association and may be change from time to time as allowed therein. A review fee of \$100.00 must be paid by the Lot Owner to the Association when plans are submitted.

18.2 The Architectural Control Committee shall have the authority to disapprove plans and specification for the construction or remodeling of a residential building or landscaping based upon its best efforts to balance matters of taste and design and the use of private property. The following non-exclusive list of factors will be utilized by the Architectural Control Committee:

- (a) Quality of workmanship and materials; adequacy of site dimensions; proper facing of main elevation with respect to nearby streets.
- (b) conformity and harmony of the external design, color, type and appearance of exterior surfaces and landscaping;
- (c) Location with respect to topography and finished grade elevation and effect of location and use on neighboring Lots and improvements situated thereon;
- (d) The other standards set for within the Declaration (and any amendments hereto) or as may be set forth within bulletins promulgated by the Architectural Control Committee or matters in which the Committee has been vested with the authority to render a final interpretation and decision.

The Board may from time to time publish, promulgate and amend a submission form (herein referred to as an Architectural Request Form) to be completed and submitted to the Committee under this Section 19.2.

The Architectural Control Committee shall have the right to approve or disapprove any builder and or contractor.

18.3 If the Architectural Control Committee will strive to approve or disapprove of plans and specifications within ten days of the date of submission. If the committee does not act within twenty days then the plans shall be deemed approved.

18.4 The Architectural Control Committee shall also have the authority to allow a substitution of materials, including used materials, for the materials required in other provision of these restrictive and protective covenants when, in the opinion of the Architectural Control Committee, the required materials are no longer economically feasible, required material are of limited availability or the substituted materials are of substantially equal or better quality than the require materials and are not detrimental to the general design and appearance of the Development.

18.5 The Architectural Control Committee shall also have the authority to make exceptions to space and location requirements, including front set-back and side Lot requirements when it determines that such deviation will not be detrimental to the overall appearance of the Subdivision and it determines that such deviation does not adversely affect any adjoining property owner.

18.6 The purpose of the Architectural Control Committee is in part to provide for the aesthetic quality of the overall subdivision. Any action on its part is to assure such quality and not to render an opinion as to structural soundness or feasibility of construction.

18.7 Enforcement.

- (a) Any improvement placed or made in violation of this paragraph 19 or any of its subsections shall be deemed to be nonconforming. Upon written request from the Board, the violating Owner shall, at his or her own cost and expense, remove such improvement and restore the land to substantially the same condition as existed prior to the nonconforming work. Should an Owner fail to remove and restore as required, the Board or its designees shall have the right, but not the obligation, in addition to any other remedy provided herein for the enforcement of this declaration, to enter the property, remove the violation and restore the property to substantially the same condition as previously existed without any liability for damages for wrongful entry, trespass or otherwise to any person. All costs, together with the interest at the maximum rate then allowed by law, may be assessed against the benefited Lot and collected as a reimbursement assessment as specified in Section 11 of this declaration.
- (b) A representative shall inspect any construction after completion of construction. In the case of new construction no occupancy may occur until the inspection has occurred and the representative assents that the owner has complied with these restrictions.

19. Severability.

Invalidation of any one of these covenants by judgment or Court shall in no way affect any of the other provisions, which shall remain in full force and effect.

20. Applicability.

These covenants shall be binding on anyone deriving title from or through the Declarants, Declarant=s successors or assigns, to any property subject hereto.

21. Exemptions.

Specifically exempted from this section, are the Preston Country Club and Golf Course, and any maintenance, construction, or any other activities carried on in conjunction with the Country Club, Golf Course, or other related facilities.

22. Availability of Restrictions.

The Association shall, at a reasonable cost upon request, supply any Lot Owner or Member with copies of these restrictions or any other restrictions applicable to the Owner's property and any By-laws and Articles of Incorporation of the Association.

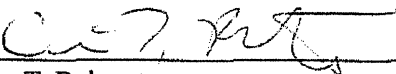
23. Term.

These restrictions and covenants are to run with the land, and shall be binding on all parties, and all persons claiming under them, for a period of sixty (60) years from the date of the recording hereof in the office of the County Clerk of Grayson County, Texas; provided, however, that at any time, the then record owners of a majority of the lots covered hereby shall have the power, through a written instrument duly recorded in the office of the County Clerk of Grayson Count, Texas, to amend or modify any one or more of the restrictions or covenants contained herein, but no such amendment or modification shall affect any existing building. After the expiration of said period of sixty (60) years, said restrictions and covenants, as then existing shall be automatically extended for successive periods of ten (10) years each, unless an instrument signed by the then owners of the majority of the lots covered hereby has been recorded, agreeing to change said restrictions or covenants in whole or in part. It shall not be necessary to copy these restrictions and covenants into any deed or conveyance, but, instead, by acceptance of a deed or conveyance to any portion of a lot or lots covered hereby, each purchaser shall be deemed to have consented to each and all of the provisions contained herein and to have accepted such deed or conveyance subject to each and all of the provisions hereof.

WITNESS OUR HANDS this 15 day of December, 2010.



Robert J. Tate



Claire T. Rehmet

Christopher B. Rehmet
Christopher B. Rehmet

STATE OF TEXAS

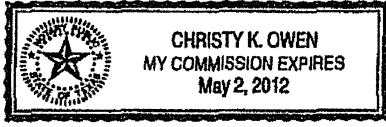
COUNTY OF GRAYSON

This instrument was acknowledged before me, a Notary Public, on this the 15 day of December, 2010, by Robert J. Tate.



Christy Owen
Notary Public in and for the State of Texas

This instrument was acknowledged before me, a Notary Public, on this the 15 day of December, 2010, by Claire T. Rehmet.



Christy Owen
Notary Public in and for the State of Texas

This instrument was acknowledged before me, a Notary Public, on this the 15 day of December, 2010, by Christopher Rehmet.



Christy Owen
Notary Public in and for the State of Texas