

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

751884

This Declaration of Covenants, Conditions and Restrictions (hereinafter termed the "Declaration") is made this 27th day of MAY, 1975 by Riverhill Club & Estates, Ltd., a Texas limited partnership (hereinafter sometimes termed "Declarant").

W I T N E S S E T H :

WHEREAS, Declarant owns and desires to develop the "Property" hereinafter defined.

WHEREAS, Declarant owns or may acquire additional real property which Declarant may place subject to this Declaration for purposes of developing all at one time or in stages.

WHEREAS, in order to enable Declarant to accomplish such development in a consistent manner with continuity, Declarant desires to place the Property, subject to the covenants, conditions, assessments, charges, servitudes, liens, easements and reservations (hereinafter collectively termed "Covenants") hereinafter set forth.

NOW, THEREFORE, Declarant hereby declares that the Property shall be held, sold and conveyed subject to the Covenants.

ARTICLE I

DEFINITIONS

The following words, phrases or terms used in this Declaration shall have the following meanings:

A. "Covenants" shall mean the covenants, conditions, easements, charges, servitudes, liens, reservations and assessments set forth herein.

B. "Declarant" shall mean Riverhill Club & Estates, Ltd., a Texas limited partnership, and the successors and assigns of Declarant's rights and powers hereunder. ✓

C. "Declaration" shall mean this Declaration of Covenants, Conditions and Restrictions, as amended or supplemented from time to time.

D. "Deed" shall mean a deed or other instrument conveying the fee simple title to a "Lot."

E. "Dwelling Unit" shall mean any portion of a building designed and used for single family residential purposes including, but not limited to, such building and any carport or other structure related thereto or used in conjunction therewith and the Lot upon which the building is located.

F. "Maintenance Cost" shall mean any and all costs assessed pursuant to Article IV and Article IX hereof.

G. "Maintenance Lien" shall mean with respect to any Lot, the lien created and imposed pursuant to Article V hereof securing any Maintenance Cost.

H. "Lot" shall mean and refer to any lot, tract or parcel of the Property (with the exception of any common area, if any, and any "open areas" reserved by Declarant on any plat) shown upon a plat or plats of the Property filed for record in the Map and Plat Records of Kerr County, Texas (as such plat or plats may be amended from time to time). The phrase "open areas" shall mean those areas of the Property including but not limited to streets which are not designated by number as lots, the ownership of such areas being reserved to Declarant and its successors and assigns. (The streets shown on such plats unless otherwise stated on such plats have not been dedicated to the public i.e. the streets are private streets.)

I. "Owner" shall mean and refer to the person or persons, entity or entities, who either own of record fee simple title to a Lot, or have entered as an original party, successor or assignee into a Contract for Deed with Declarant; the term "Owner" to exclude any person or persons, entity or entities, having an interest in a Lot merely as security for the performance of an obligation; the term "Owner" to include Declarant if Declarant is a record owner of fee simple title to a Lot, but only if, with respect to such Lot, Declarant has not entered into any Contract for Deed. For purposes hereof, the term "Contract for Deed" shall be any contract executed by Declarant with another person containing as its title or as part of its title the term "Contract for Deed" pursuant to which such person is acquiring a Lot on an installment basis whereby Declarant does not transfer fee simple title to the Lot until such person has satisfied all the terms and conditions of such contract.

J. "Property" shall mean:

(i) At the time of recordation of this Declaration, the land described on Exhibit "A" attached hereto and made a part hereof for all purposes; and

(ii) From and after the addition of each parcel of land subjected to this Declaration pursuant to Article XII hereof, each such new parcel of land.

ARTICLE II

COVENANTS BINDING ON PROPERTY AND OWNERS

Section 1: Property Bound. From and after the date of recordation of this Declaration, the Property shall be subject to the Covenants and said Covenants shall run with, be for the benefit of, and bind and burden the Property.

Section 2: Owners Bound. From and after the date of recordation of this Declaration, the Covenants shall be binding upon and for the benefit of each Owner and his heirs, executors, administrators, trustees, personal representatives, successors and assigns, whether or not so provided or otherwise mentioned in the Deed. Each Owner for himself, his heirs, executors, administrators, trustees, personal representatives, successors and assigns, expressly agrees to pay, and to be personally liable for, assessments provided for hereunder, and to be bound by all of the Covenants herein set forth. Each Owner shall be and remain personally liable, regardless of whether he has transferred title to his Lot, for the amount of assessments (together with interest thereon, cost of collection and attorneys' fees, if any) which fell due while he was an Owner. No Owner shall escape personal liability for the assessments herein provided by non-use of or by transfer or abandonment of his Lot. The Owner's personal obligation shall

not pass to a successor Owner unless expressly assumed by the successor Owner; but any such assumption of personal liability by the successor Owner shall not relieve the prior Owner of his personal liability for the amount of assessment which fell due while the prior Owner was an Owner.

ARTICLE III

USE RESTRICTIONS

Section 1: All Properties. All Lots within the Property are hereby restricted as follows:

(a) Antennas. No exterior television, radio or other antenna of any type shall be placed, allowed or maintained upon any Lot without prior written approval and authorization of the Declarant.

(b) On Street Parking. On street parking is restricted to approved deliveries, pickup or short time guests and invitees and shall be subject to such reasonable rules and regulations as shall be adopted by Declarant.

(c) Storage. No exterior storage of any items of any kind shall be permitted except with prior written approval and authorization of the Declarant. Any such storage as is approved and authorized shall be in areas attractively screened or concealed (subject to all required approvals as to architectural control) from view from neighboring property, pathways and streets. This provision shall apply without limitation, to wood piles, camping trailers, boat trailers, travel trailers, boats, mobile homes and unmounted pickup camper units. Also, without limitation, no automobile, truck or other vehicle, regardless of ownership, age, condition or appearance, shall remain on any Lot in any manner which could be construed as being stored, neglected, abandoned or otherwise not in frequent use, except pursuant to written approval and authorization of Declarant.

(d) Garbage. No garbage or trash shall be placed on the exterior of any building, except in containers meeting the specifications of the City of Kerrville and the Declarant, and the placement, maintenance and appearance of all such containers shall be subject to reasonable rules and regulations of the Declarant. All rubbish, trash and garbage shall be regularly removed from each Lot and shall not be allowed to accumulate thereon.

(e) Outside Speakers and Amplifiers. No radio, stereo, broadcast or loudspeaker units and no amplifiers of any kind shall be placed upon or outside, or be directed to the outside of any building without prior written approval and authorization of the Declarant.

(f) Outside Lighting. No outside lighting, other than indirect lighting, shall be placed, allowed or maintained on any Lot without prior written approval and authorization of the Declarant.

(g) Animals. No animals, reptiles, fish or birds of any kind shall be raised, bred or kept on

any Lot except pursuant to prior written approval of and in accordance with rules and regulations promulgated by the Declarant, provided, however, that dogs, cats, birds or fish may be kept thereon as household pets so long as, in the discretion of the Declarant, such pet is not, or does not become, a nuisance, threat or otherwise objectionable to other Owners.

(h) Re-subdivision. No Lot shall be further subdivided and no portion less than all of any such Lot, or any easement or any other interest therein, shall be conveyed by any Owner without the prior written authorization and approval of the Declarant.

(i) Diseases and Insects. No Owner shall permit any thing or condition to exist upon any Lot which shall induce, breed or harbor plant disease or noxious insects.

(j) Sidewalk Encroachments. No tree, shrub, or plant of any kind on any Lot shall be allowed to overhang or otherwise encroach upon any sidewalk or any other pedestrian way from ground level to a height of seven (7) feet without the prior written approval and authorization of the Declarant.

(k) Machinery, Fixtures and Equipment. No machinery, fixtures or equipment of any type, including without limitation heating, air conditioning or refrigeration equipment and clotheslines, shall be placed, allowed or maintained upon the ground on any Lot, except with prior written approval and authorization of the Declarant and then only in areas attractively screened or concealed (subject to all required approvals as to architectural control) from view of neighboring property, pathways and streets; and no such machinery, fixtures, or equipment shall be placed, allowed or maintained anywhere other than on the ground (such as on the roof) except if screened or concealed (subject to all required approvals as to architectural control) in such manner that the screening or concealment thereof appears to be part of the integrated architectural design of the building and does not have the appearance of a separate piece or pieces of machinery, fixtures or equipment.

(l) Utility and Service Lines. No gas, electric, power, telephone, water, sewer, cable television or other utility or service lines of any nature or kind shall be placed, allowed or maintained upon or above the ground on any Lot, except to the extent, if any, underground placement thereof may be prohibited by law or would prevent the subject line from being functional. The foregoing shall not prohibit service pedestals and above ground switch cabinets and transformers where required.

(m) Burning and Incinerators. No open fires or burning shall be permitted on any Lot at any time and no incinerators or like equipment shall be placed, allowed or maintained upon any Lot. The foregoing shall not be deemed to preclude the use, in customary fashion, of outdoor residential barbecues or grills.

(n) Signs. No exterior signs or advertisements of any kind may be placed, allowed or maintained on any Lot without prior written approval and authorization of the Declarant, except that mailboxes, residential nameplates and "for sale" and "for rent" signs may be placed and maintained in conformity with such common specifications, including without limitation, reasonable restrictions as to size, as may be adopted by the Declarant.

(o) Repairs. No repairs of any detached machinery, equipment or fixtures, including without limitation motor vehicles, shall be made upon any portion of any Lot within view of neighboring property, pathways and streets, without prior written approval and authorization of the Declarant.

(p) Oil and Mineral Activity. No oil exploration, drilling, development or refining operations and no quarrying or mining operations of any kind, including oil wells, surface tanks, tunnels, or mineral excavations or shafts shall be permitted upon or under any Lot; and no derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted on any Lot.

(q) Change in Intended Use. No portion of the Property may be developed or redeveloped otherwise than in accordance with its original intended use, without the prior written authorization and approval of the Declarant.

(r) Misuse and Mismaintenance. No Lot shall be maintained or utilized in such manner as in Declarant's judgment to present an unsightly appearance (including but not limited to clothes drying within public view), or as to unreasonably offend the morale of or as to constitute a nuisance or unreasonable annoyance to, or as to endanger the health of, other Owners or residents of the Property; and no noxious or otherwise offensive condition or activity shall be allowed to exist or be conducted thereon.

(s) Violation of Statutes, Ordinances and Regulations. No Lot shall be maintained or utilized in such manner as to violate any applicable statute, ordinance or regulation of the United States of America, the State of Texas, the County of Kerr, the City of Kerrville, if applicable, or any other governmental agency or subdivision having jurisdiction in the premises.

(t) Violation of Covenants. No Lot shall be maintained or utilized in violation of the Covenants.

(u) Motor Vehicles. Motor vehicles owned or in the custody of any Owner may be parked only in the carport or driveway located upon or pertaining to such person's Lot or Dwelling Unit, or in parking areas designed by the Declarant, unless otherwise authorized by the Declarant in writing. No buses, vans or trucks having a carrying capacity in excess of 3/4 tons or designed for commercial purposes shall be placed, allowed or maintained upon any residential Lot except with the prior written approval and authorization

of the Declarant in areas attractively screened or concealed (subject to all required approvals as to architectural control) from view of neighboring property, pathways and streets.

(v) Carports. The interiors of all carports shall be maintained by the Owners in a neat, clean and sightly condition. No carport shall be used for storage; and no power equipment, hobby shops or carpenter shops shall be maintained in any carport, nor automobile overhaul, repair or maintenance work conducted therein.

Section 2: Buildings. Buildings shall be additionally restricted as follows:

(a) New and Permanent Construction. All buildings and other structures on the Property shall be of new and permanent construction; and no structure shall be moved from any location on or off the Property onto any portion of the Property, provided, however, that temporary structures may be placed and maintained on the Property in connection with the construction of buildings, structures or improvements thereon if previously approved and authorized in writing by the Declarant. Any such temporary structure shall be promptly removed upon completion of the construction to which it relates.

(b) Prosecution of Construction, Maintenance and Repairs. All construction, maintenance and repair work shall be prosecuted diligently from commencement until completed.

(c) Maintenance. No Dwelling Unit shall be permitted to fall into disrepair and each such building and structure shall at all times be kept in good condition and repair, adequately painted or otherwise finished.

(d) Owner's Water and Sanitary Sewer Lines. All water and sanitary sewer lines from each Dwelling Unit to the common water and sanitary sewer lines (i.e. all water and sanitary sewer lines which carry water to or sewerage from such Dwelling Unit shall be maintained by the Owner of the Dwelling Unit at his own costs.

Section 3: Exemption for Purpose of Construction, Development and Sale. The Declarant shall have the right during the period of construction, development and sale, to grant reasonable and specifically limited exemptions from these restrictions to itself and any other developer or contractor. Any such exemptions shall be granted only upon specific written request, itemizing the exemption requested, the location thereof, the need therefor and the anticipated duration thereof; and any authorization and approval thereof shall be similarly itemized. No such exemption shall be broader in terms of activity, location or time than is reasonably required.

Section 4: Construction of Covenants. Nothing herein stated shall be construed as preventing an Owner from combining two or more adjacent and contiguous Lots and building thereon a Dwelling Unit.

Section 5: Right-of-Way. The Declarant or its agent with three (3) days prior written notice to the Owner shall have the right to enter upon and inspect any Lot or Dwelling Unit for the purpose of ascertaining whether or not the provisions of these Covenants have been or are being complied with and Declarant shall not be deemed guilty of trespass by reason of such entry provided such entry be made during reasonable hours of the daytime.

ARTICLE IV

IMPROPER MAINTENANCE BY OWNER

In the event any portion of a Lot or Dwelling Unit thereon is in Declarant's judgment so maintained by the Owner as to not comply with these Covenants or present a public or private nuisance or as to substantially detract from the appearance or quality of the neighboring Lots or Dwelling Units or other areas of the Property which are substantially affected thereby or related thereto, the Declarant may by resolution make a finding to this effect, specifying the particular condition or conditions which exist, and pursuant thereto deliver notice thereof to the offending Owner that unless corrective action is taken within ten (10) days, the Declarant will cause such action to be taken at such Owner's cost. If at the expiration of said ten (10) day period of time the requisite corrective action has not been taken, the Declarant shall be authorized and empowered to cause such action to be taken and the cost (the "Maintenance Cost") thereof shall be assessed against the Lot and Dwelling Unit of the offending Owner and shall be secured by the Maintenance Lien hereinafter provided. Written notice of such assessment shall be delivered to the offending Owner which notice shall specify the amount of such Maintenance Cost and shall demand payment thereof within thirty (30) days after the date of said notice.

ARTICLE V

IMPOSITION OF LIEN; OWNER'S AGREEMENT

Section 1: Imposition of Maintenance Lien. Declarant shall have the right at any time there is unpaid Maintenance Cost outstanding with respect to a Lot to file of record with the County Clerk of Kerr County, Texas, a written statement describing such Lot and/or the Dwelling Unit thereon and declaring the amount of unpaid Maintenance Cost relating thereto in which event, upon such filing there shall automatically be imposed upon such Lot and the Dwelling Unit thereon a lien (the "Maintenance Lien") in favor of Declarant for the amount of such unpaid Maintenance Cost. Upon payment of all Maintenance Cost relating to any such Lot, Declarant shall file of record with the County Clerk of Kerr County, Texas, an appropriate release of any Maintenance Lien previously filed against the Lot and the Dwelling Unit thereon for such Maintenance Cost. The Maintenance Lien shall be for the sole benefit of Declarant and its successors and assigns.

Section 2: Owner's Promises Regarding Maintenance Costs and Maintenance Lien. Each Owner, for himself, his heirs, executors, administrators, trustees, personal representatives, successors and assigns, covenants and agrees:

- (a) That he will pay to the Declarant within thirty (30) days after the date of written notice thereof any Maintenance Cost assessed by the Declarant against his Lot and the Dwelling Unit thereon;

(b) That by accepting a Deed to his Lot, he shall be, and remain, personally liable for any and all Maintenance Cost assessed against his Lot and the Dwelling Unit thereon while he is (or was) the Owner thereof, regardless of whether such covenants or agreements are expressed in such Deed and regardless of whether he signed the Deed.

ARTICLE VI

RIGHTS AND POWERS

Section 1: Declarant as Enforcing Body. The Declarant, as the agent and representative of the Owners, shall have the exclusive right to enforce the provisions of this Declaration. However, if the Declarant shall fail or refuse to enforce this Declaration for an unreasonable period of time, after written request to do so, then any Owner may enforce this Declaration on behalf of the Declarant by any appropriate action, whether in law or in equity.

Section 2: Declarant's Remedies to Enforce Payment of Maintenance Cost. If the Owner of any Lot fails to pay the Maintenance Cost when due, the Declarant may enforce the payment of the Maintenance Cost and/or the Maintenance Lien by taking either or both of the following actions, concurrently or separately (and, by exercising either of the remedies hereinafter set forth, the Declarant does not prejudice or waive its right to exercise the other remedy):

(a) Bring an action at law and recover judgment against the Owner personally obligated to pay Maintenance Cost;

(b) Foreclose the Maintenance Lien against the Lot and the Dwelling Unit thereon in accordance with the then prevailing Texas law relating to the foreclosure of realty mortgages and liens (including the right to recover any deficiency).

Sale or transfer of any Lot shall not affect the Maintenance Lien, provided, however, that if the sale or transfer is pursuant to foreclosure of a mortgage or deed of trust, or pursuant to any sale or proceeding in lieu thereof, the purchaser at the mortgage foreclosure or deed of trust sale, or any grantee taking by deed in lieu of foreclosure, shall take the Lot and any Dwelling Unit located thereon free of the Maintenance Lien for all Maintenance Cost that have accrued up to the date of issuance of a sheriff's or trustee's deed or deed in lieu of foreclosure.

Section 3: Costs to be Borne by Owner in Connection with Enforcement of Payment of Maintenance Cost. In any action taken pursuant to Section 2 of this Article, the Owner shall be personally liable for, and the Maintenance Lien shall be deemed to secure the amount of, the Maintenance Cost together with interest thereon at the rate of eight percent (8%) per annum, the Declarant's cost and attorney's fees.

Section 4: Contracts with Others for Performance of Declarant's Duties. Subject to the restrictions and limitations contained herein, the Declarant may enter into contracts and transactions with others, including its subsidiaries and affiliated companies, and such contracts or transactions shall not be invalidated or in any way affected by the fact that one or more partners (limited or general) in Declarant and/or one or more directors of

the general partner of Declarant is employed by or otherwise connected with Declarant, its subsidiaries and affiliates, provided that the fact of such interest shall be disclosed or known to the other partners and/or directors acting upon such contract or transaction, and provided further that the transaction or contract is fair and reasonable; and any such partner and/or director may be counted in determining the existence of a quorum at any meeting which shall authorize any such contract or transaction, and may vote thereat to authorize any such contract or transaction with like force and effect as if he were not so interested.

ARTICLE VII

ARCHITECTURAL CONTROL ✓

No building, fence, wall, sign, exterior light or other structure or other apparatus, either permanent or temporary, shall be commenced, erected, placed or maintained upon the Property (or any Lot constituting a part thereof), nor shall any exterior addition thereto, change therein or alteration, excavation, subdivision or resubdivision thereof, including without limitation changes in or alterations of grade, landscaping, roadways and walkways, be made until the plans and specifications showing the nature, kind, shape, height, materials, color and location and other material attributes of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by Declarant or by an architectural committee composed of three (3) or more representatives appointed by Declarant. In the event Declarant, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

ARTICLE VIII

PARTY WALLS

Section 1: General Rules of Law to Apply. Each wall which is built as a part of the original construction of a Dwelling Unit upon the Property and placed on the dividing line between the Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2: Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

Section 3: Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owner to call for a larger contribution from the others under rule of law regarding liability for negligence or willful acts or omissions.

Section 4: Weather Proofing. Notwithstanding any other provision of this Article, an Owner who by his negligence or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5: Right to Contribution Runs with the Land. The right of any Owner to contributions from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 6: Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, then, upon written request by one of such Owners, addressed to the Declarant, the matter shall be submitted to the Declarant who shall decide the dispute, and the decision of the Declarant shall be final and conclusive on the parties.

ARTICLE IX

INSURANCE

Section 1: Fire Insurance - Dwelling Unit Improvements on Lots. Each Owner shall purchase at his expense and maintain fire and hazard insurance coverage with respect to the Dwelling Unit on his Lot. Any such insurance shall be for the highest insurable value of such Dwelling Unit and shall contain a replacement cost endorsement. Such insurance shall contain a loss payable endorsement in favor of the Trustee hereinafter described. Upon the request of Declarant, each Owner shall furnish to Declarant, immediately, evidence of such insurability.

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Section 2: Trustee. All available insurance proceeds, payable under insurance policies described in Section 1 hereof, and subject to the rights of the mortgagees under Section 3 hereof, shall be paid to the Trustee, to be held and expended for the benefit of the Owners, mortgagees, and others as their respective interest shall appear. Said trustee shall be a commercial bank, savings and loan association, title company or other entity in Kerr County, Texas, designated by Declarant which, at the request of Declarant, has agreed in writing to accept such trust. In the event repair or reconstruction is authorized, the Declarant shall have the duty to contract for such work as provided for herein.

Section 3: Mortgagee's Rights. With respect to insurance coverage under Section 1 of this Article, any mortgagee of record shall have the option to apply insurance proceeds payable to it in reduction of the obligations secured by its mortgage. For purposes hereof a "mortgagee" shall mean a person or entity to whom a mortgage is made or who is the beneficiary of a deed of trust. For purposes hereof, "available insurance proceeds" shall mean the net insurance proceeds to be paid to the Owner or the Trustee after the mortgagee has made his election hereunder.

Section 4: Owner's Additional Insurance. An Owner may carry such additional personal liability and property damage insurance respecting his individual Dwelling Unit as he may desire.

Section 5: Damage and Destruction; Reconstruction. If any Dwelling Unit is damaged by fire or other casualty

the Owner of such Dwelling Unit shall immediately take all actions consistent herewith to rebuild such Dwelling Unit (with available insurance proceeds, if available, or at his own cost) pursuant to the original plans and specifications for such Dwelling Unit. If said damage is limited to a single Lot or Dwelling Unit, all available insurance proceeds shall be paid by the Trustee to the Owner of such Lot or Dwelling Unit and the Owner shall use the same to rebuild or repair such Dwelling Unit in accordance with the original plans and specifications therefor. If such damage extends to two or more Lots or Dwelling Units, then:

(a) Reconstruction or Repair by Declarant.

If the available insurance proceeds initially offered or paid by the insurer do not exceed the sum of Ten Thousand and no/100 Dollars (\$10,000.00) and the cost of repairing or rebuilding does not exceed the amount of available insurance proceeds by more than One Thousand and no/100 Dollars (\$1,000.00), such insurance proceeds shall be paid to the Trustee hereinbefore designated in Section 2 hereof. The Declarant shall thereupon contract to repair or rebuild the damaged portions of the Dwelling Units in accordance with the original plans and specifications therefor and the funds held in the insurance trust fund shall be used for this purpose. If the available insurance proceeds are insufficient to pay all the cost of repairing or rebuilding, the Declarant in order to make up any deficiency shall levy a special assessment on all Owners of the Dwelling Units so damaged and their Dwelling Units on a pro rata basis determined in accordance with the amount of damage done to each of the Dwelling Units (which determination shall be made by Declarant in its sole discretion);

(b) Other Situations. If subparagraph (a) is inapplicable, then:

(1) Payment to Trustees. All available insurance proceeds shall be paid to the Trustee designated by the Declarant to be held for the benefit of the Owners of the damaged Dwelling Units as their respective interests may appear. The Declarant is authorized to enter on behalf of such Owners into a construction agreement, consistent with these restrictions, with such Trustee and a contractor relating to the rebuilding of such damaged Dwelling Units, all in accordance with the following procedure;

(2) Procedure. The Declarant shall obtain firm bids (including the right but not the obligation to obtain payment and performance bonds) from three (3) or more responsible contractors to rebuild the damaged Dwelling Units in accordance with their original plans and specifications and shall, as soon as possible thereafter, call a special meeting of the Owners of such damaged Dwelling Units to consider such bids. Each such bid shall be itemized so that the total cost in rebuilding the damaged Dwelling Unit of each Owner will be set forth separately. At the meeting, the Owners shall accept the lowest bid as to

rebuilding all of the damaged Dwelling Units unless by 100% vote, such Owners elect to accept a higher bid for such work. Upon acceptance of such bid, if the available insurance proceeds are insufficient to pay all the cost of repairing or rebuilding, the Declarant in order to make up any deficiency shall levy a special assessment on all Owners of the Dwelling Units so damaged and their Dwelling Units on a pro rata basis determined in accordance with the amount of damage done to each of the Dwelling Units (which determination shall be made by Declarant in its sole discretion.

If any Owner shall fail to pay any special assessment made pursuant to subparagraphs 1 or 2 of this Section 5(b) within thirty (30) days after the levy thereof, the Declarant may make up the deficiency by payment thereof, but said deficiency shall be replenished from the Owner of the damaged Dwelling Unit whether the said improvement is or is not so reconstructed. Any such deficiency shall be deemed a Maintenance Cost with respect to the Lot involved secured by the Maintenance Lien described in Article V hereof. Upon payment by such Owners or by the Declarant for the benefit of such Owners (as provided herein), the Declarant shall let the contract to the successful bidder.

ARTICLE X

TERMS; AMENDMENTS; TERMINATIONS

Section 1: Term; Method of Termination. This Declaration shall be effective upon the date of recordation hereof and, as amended from time to time, shall continue in full force and effect to and including December 31, 2004. From and after said date, this Declaration, as amended, shall be automatically extended for successive periods of ten (10) years, unless there is an affirmative vote to terminate this Declaration by the then Owners of seventy-five percent (75%) of the Lots. Furthermore, this Declaration may be terminated at any time if (i) Owners of legal title of seventy-five percent (75%) of the Lots by affirmative vote elect to so terminate this Declaration and (ii) Declarant approves such termination in writing.

Section 2: Amendments. This Declaration may be amended or changed in whole or in part at any time by (i) the affirmative vote of the Owners of legal title of fifty-one percent (51%) of the Lots and (ii) the written approval of Declarant.

Section 3: Election Procedure for Amendments and Termination. The affirmative votes required under Section 1 or Section 2 of this Article may be obtained and evidenced either by a written consent to any such amendment or termination, as the case may be, signed by the requisite percentage of Owners (which such consent shall be in recordable form and presented to Declarant) or by the requisite vote by the Owners at a meeting of Owners duly called by at least ten (10) Owners or by Declarant pursuant to notice in writing mailed to all of the Owners at their last known addresses on or prior to ten (10) days before the date of the meeting at which meeting the requisite percentage of Owners, in person or by proxy, vote to so amend or terminate this Declaration (and the Covenants herein). The notice of the meeting must set forth the

proposal as to amendment or termination of this Declaration (and/or the Covenants therein) and the affirmative vote of the requisite percentage of Owners must be evidenced by minutes of the meeting duly certified by the Owners who called the meeting or Declarant. In any event, a copy of the minutes must be delivered to Declarant.

Section 4: Recording of Amendments or Termination. Upon the requisite percentage of Owners duly voting to amend or terminate this Declaration (and/or the Covenants herein) and upon the other conditions set forth in Section 1 or Section 2 (of this Article, as the case may be) and Section 3 of this Article being satisfied, then:

(a) In the case of amendment, each amendment shall be executed by the Declarant, placed in recordable form, and filed of record in the Recorder of Deeds Office, Kerr County, Texas accompanied by a statement that the requisite percentage of Owners had voted to make such amendment to this Declaration.

(b) With respect to terminations, a duly authorized agent of Declarant shall cause to be recorded with the Recorder of Deeds, Kerr County, Texas, a certificate of termination duly signed by such agent with his signature acknowledged.

Section 5: Effect. Upon the recording of the Certificate of termination as required by subparagraph (b) in Section 4 of this Article, these Covenants and this Declaration shall have no further force and effect. Upon the filing of a Certificate of Amendment in accordance with subparagraph (a) of Section 4 of this Article, this Declaration and the Covenants, as amended, shall remain in full force and effect, enforceable in accordance with its terms.

Section 6: Right of Amendment if Requested by Governmental Agency or Federally Chartered Lending Institutions. Anything in this Article to the contrary notwithstanding, Declarant reserves the right to amend all or any part of this Declaration to such an extent and with such language as may be requested by any federal, state or local agency which requests such an amendment as a condition precedent to such agency's approval of this Declaration, or by any federally chartered lending institution as a condition precedent to lending funds upon the security of the Property or any portion thereof. Any such amendment shall be effected by the recordation, by Declarant, of a Certificate of Amendment signed by a duly authorized agent of Declarant, with his signature acknowledged, specifying the Federal, state or local governmental agency or the federally chartered lending institution requesting the amendment and setting forth the amendatory language requested by such agency or institution. Recordation of such a Certificate shall be deemed conclusive proof of the agency's or institution's request for such an amendment, and such Certificate, when recorded, shall be binding upon the Property and all persons having an interest in the Property. Except as provided in this Section 6 Declarant shall not have any right to amend this Declaration otherwise than in accordance with and pursuant to the provisions of Section 2 of this Article.

RESERVATION OF RIGHT TO RESUBDIVIDE AND REPLAT LOTS

Subject to the approval of any and all appropriate governmental agencies having jurisdiction, Declarant hereby reserves the right at any time while it is the Owner thereof to resubdivide and replat any Lot or Lots without the consent of any of the other owners.

ARTICLE XII

SUBJECTING ADDITIONAL LANDS TO THE DECLARATION

From time to time the size of the Property may be increased by Declarant's recording with the Recorder of Deeds, Kerr County, Texas, a supplement to this Declaration (hereinafter called "Supplemental Declaration"). The Supplemental Declaration shall be signed and acknowledged by or on behalf of the Declarant who shall be the owner of record of the additional land to be included within the Property and subjected to the Covenants set forth in this Declaration. Each such Supplemental Declaration shall:

(a) describe the additional land to be included as a part of the Property;

(b) state the number of new lots in such additional land which will be deemed "Lots" hereunder;

(c) state that such land and any permanent improvements thereon are expressly subjected to all of the Covenants set forth in this Declaration; and

(d) state that each Owner of a Lot therein, for and on behalf of his heirs, executors, administrators, trustees, personal representatives, successors and assigns, agrees to be personally liable for all Maintenance Cost imposed hereunder and shall be personally bound by all Covenants set forth in this Declaration.

ARTICLE XIII

MISCELLANEOUS

Section 1: Interpretation of the Covenants. Except for judicial construction, the Declarant shall have the exclusive right to construe and interpret the provisions of this Declaration. In the absence of any adjudication to the contrary by a court of competent jurisdiction, the Declarant's construction or interpretation of the provisions hereof shall be final, conclusive and binding as to all persons and property benefited or bound by the Covenants and provisions hereof.

Section 2: Severability. Any determination by any court of competent jurisdiction that any provision of this Declaration is invalid or unenforceable shall not affect the validity or enforceability of any of the other provisions hereof.

Section 3: Rule Against Perpetuities. If any interest purported to be created by this Declaration is challenged under the Rule against Perpetuities or any related rule, the interest shall be construed as becoming void and of no

effect as of the end of the applicable period of perpetuities computed from the date when the period of perpetuities starts to run on the challenged interest; the "lives in being" for computing the period of perpetuities shall be those which would be used in determining the validity of the challenged interest.

Section 4: Successors and Assigns of Declarant. Any reference in this Declaration to Declarant shall include any successors or assignees of Declarant's rights and powers hereunder.

Section 5: Gender and Number. Wherever the context of this Declaration so requires, words used in the masculine gender shall include the feminine and neuter genders; words used in the neuter gender shall include the masculine and feminine genders; words in the singular shall include the plural; and words in the plural shall include the singular.

Section 6: Captions and Titles. All captions, titles or headings of the Articles and Sections in this Declaration are for the purpose of reference and convenience only, and are not to be deemed to limit, modify or otherwise affect any of the provisions hereof, or to be used in determining the intent or context thereof.

Section 7: Notices. Any notice permitted or required to be delivered as provided herein may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered twenty-four (24) hours after a copy of same has been deposited in the United States mail, postage prepaid, addressed to each such person at the address given by such person to the Declarant for the purpose of service of such notice or to the address of the Dwelling Unit of such person if no address has been given. Such address may be changed from time to time by notice in writing to the Declarant.

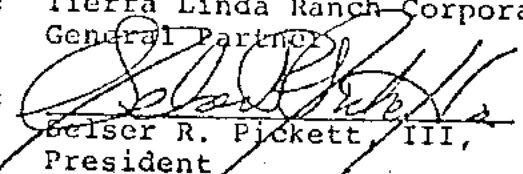
Section 8: Easements. Each Lot shall be subject to an easement for overhangs and minor encroachments by walls, structures and fences upon adjacent Lots as constructed by the original builder or as reconstructed or repaired in accordance with the original plans and specifications.

Section 9: Prior Recorded Instruments. This instrument and the provisions hereof are expressly subject to all prior recorded documents affecting the property, including without limitation that certain Reservation of Architectural Control, recorded by Riverhill Club & Estates, Ltd., a Texas limited partnership, on the day of May, 1974, in the office of the Recorder of Deeds, Kerr County, Texas, Volume, commencing at page . *Corrected to 1975 in Vol 180 page 584 need Board* 27th *also known as V 179 p 806*

IN WITNESS WHEREOF, Riverhill Club & Estates, Ltd., a Texas limited partnership, has hereunto caused its name to be signed and the same to be attested by the signatures of its duly authorized officials as of the day and year first above written.

RIVERHILL CLUB & ESTATES, LTD.

By: Tierra Linda Ranch Corporation,
General Partner

By: 
Selser R. Pickett, III,
President

STATE OF TEXAS S
 S
COUNTY OF KERR S

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BEFORE ME, the undersigned authority, on this day personally appeared SELSER R. PICKETT, III, President of Tierra Linda Ranch Corporation, General Partner of Riverhill Club & Estates, Ltd., a Texas limited partnership, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of said limited partnership.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 27th day of MAY, 1975.




NOTARY PUBLIC IN AND FOR
KERR COUNTY, TEXAS

FILED FOR RECORD

at 2:00 o'clock P.M.

MAY 27 1975

EMMIE M. MUENKER
Clerk County Court, Kerr County, Texas
By Donna Witt Deputy

EXHIBIT A

TRACT 1

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All that certain tract or parcel of land lying and being situated in the County of Kerr, State of Texas, comprising 19.17 acres being 19.14 acres out of Original Survey no. 147, Nathaniel Holt, Abstract No. 178, and 0.03 acre out of Original Survey No. 146, Wm. C. Francis, Abstract No. 137, this tract being Riverhill Townhouse Tracts No. One, and subject tract being more particularly described by metes and bounds, as follows, to wit:

BEGINNING at a fence corner post the South corner of that 28 acres which was conveyed from Wm. Bryant Saner to L. D. Brinkman by deed dated October 27, 1971, and recorded in Volume 152 at Page 481 of the Deed Records of Kerr County, Texas, and whose Texas Coordinates System South Central Zone are N or Y = 795,458.873, E or X = 1,955,859.093;

THENCE with fence along the NW line of Original Survey No. 147, Nathaniel Holt, S.44°59'W. 988.73 feet to an iron stake in the East line of newly widened right of way of Texas Highway No. 16;

THENCE with the East right of way of said Texas Highway No. 16, S.10°50'E. 200.0 feet to a point in said right of way;

THENCE S. 45°11'12"E. 146.5 feet to an iron stake NW of No. 16 Green of Riverhill Golf Course;

THENCE around No. 16 Green, N.70°17'E. 131.6 feet, and S.55°56'E. 105.3 feet to an iron stake the NW line of No. 17 Fairway;

THENCE along the NW line of 17 Fairway, N.32°11'E. 514.4 feet, N.39°36'E. 212.5 feet, N.14°06'W. 201.3 feet, N.31°36'E. 66.8 feet, N.50°46'E. 118.7 feet and N.29°01'E. 55.2 feet to an iron stake a SW corner of Block One of Riverhill Townhouse Tracts No. One.

THENCE with the South side of said Block One, N.77°11'E. 25.3 feet, S.75°02'E. 60.9 feet, S.69°10'E. 99.5 feet, S.38°12'E. 77.0 feet, S.5°58'W. 23.6 feet, S.54°30'E. 315.81 feet, S.80°18'E. 121.1 feet, S. 58°53'E. 204.1 feet and S.75°10'E. 318.2 feet to an iron stake the most Southerly SE corner of Block One;

THENCE WITH THE NE line of said Block One, N.14°11'E. 98.0 feet, N. 12°37'W. 192.3 feet, N.26°44'W. 240.2 feet, N.32°07'W. 209.6 feet, N.88°53'W. 334.4 feet, N.81°20'W. 372.2 feet and N.84°06'W. 124.2 feet to an iron stake SW of No. 18 Tee;

THENCE with the NE line of Fairway Drive along the arc of a circular curve to the right in a NW direction having a radius of 145.0 feet for a distance of 20 feet to a point;

THENCE crossing street, S.78°16'25"W. 40 feet to the SW line of said Fairway Drive;

THENCE with the SW line of said Fairway Drive along the arc of a circular curve to the left in a SE direction having a radius of 185 feet for a distance of 55 feet to a point;

THENCE with the arc of a circular curve to the right in a SW direction having a radius of 20 feet for a distance of 30 feet to the NW line of Sand Bend Drive;

THENCE with the NW line of said Sand Bend Drive, S.51°09'57"W.
170 feet to the point of curvature of a circular curve to the left;
THENCE with the arc of said circular curve in a SW direction
having a radius of 306.22 feet for a distance of 15 feet to
a point;

THENCE N. 45°22'W. 5 feet to the place of beginning.

TRACT 2

Lots 1, 2, 3, 4, 5, 6 & 7 of Block R and all of the
land constituting same as shown on a plat of Riverhill
Estates No. Two, a subdivision of Kerr County, Texas as
recorded in Volume 4 at Page 30 of the Plat Records, Kerr
County, Texas.

EXHIBIT A - PAGE 2

Filed for record May 27, 1975 at 2:00 o'clock P.M.

Recorded May 29, 1975

EMMIE M. MUENKER, Clerk

By Melinda Akers Deputy