

RESTRICTIONS

THE STATE OF TEXAS § **861**
 § KNOW ALL MEN BY THESE PRESENTS:
 COUNTY OF KERR §

That Kerrville Hills Development Co., a Texas Corporation, having its principal place of business in Kerrville, Kerr County, Texas (hereinafter called the "Developer"), being the owner of that certain tract of land described on Exhibit "A", which is annexed hereto, incorporated herein by reference and made a part hereof for all purposes, a portion of which has been heretofore platted into that certain subdivision known as "Kerrville Hills Country Club Estates, Section One", according to the plat of said subdivision originally recorded on October 10, 1967, in Volume 3, Page 21 of the Plat Records of Kerr County, Texas, which plat has been subsequently amended and supplemented to incorporate changes therein, including a change of the name of such subdivision from its original designation to "Kerrville Hills Country Club Estates, Section One", (herein referred to as "the Subdivision", and desiring to create and carry out a uniform plan and scheme for the improvement, development and sale of property in the Subdivision, does hereby adopt, establish, promulgate and impress the following Reservations, Restrictions, Covenants, Conditions and Easements to amend, replace, substitute for and supercede the terms, conditions and effect of the document filed for the same purpose by L. R. Turner Enterprises, Inc. in Volume 130, Page 407 of the Deed Records of Kerr County, Texas, on October 10, 1967, which below set forth Reservations, Restrictions, Covenants, Conditions and Easements shall be and are hereby made applicable to the Subdivision and to any alterations or additions thereto as presently or hereafter reflected by the records in the office of the County Clerk of Kerr County, Texas.

I

GENERAL PROVISIONS

APPLICABILITY

1. Each Contract, Deed or Deed of Trust which may be hereafter executed with respect to any property in the Subdivision shall be deemed and held to have been executed, delivered and accepted subject to all of the provisions of this instrument, including, without limitation, the Reservations, Restrictions, Covenants, Conditions and Easements herein set forth, regardless of whether or not any such provisions are set forth in said Contract, Deed or Deed of Trust, and whether or not referred to in any such instrument.

DEDICATION

2. The streets and roads shown on said recorded plat are dedicated to the use of the public. The utility easements shown thereon are dedicated subject to the reservations hereinafter set forth.

RESERVATIONS

3. a. The utility easements shown on the recorded plat are dedicated with the reservation that such utility easements are for the use and benefit of any public utility operating in Kerr County, Texas, as well as for the benefit of the Developer and the property owners in the Subdivision to allow for the construction, repair, maintenance and operation of a system or systems of electric light and power, telephone lines, television cable lines, gas, water, sanitary sewers, storm sewers and any other utility or service which the Developer may find necessary or proper.

b. The title conveyed to any property in the Subdivision shall not be held or construed to include the title to the water, gas, electricity, telephone, storm sewer or sanitary sewer lines, poles, pipes, conduits or other appurtenances or facilities constructed by the Developer or public utility companies upon, under, along, across or through such public utility easements; and the right (but no obligation) to construct, maintain, repair and operate such systems, utilities, appurtenances and facilities is reserved to the Developer, its successors and assigns.

c. The right to sell or lease such lines, utilities, appurtenances or other facilities to any municipality, governmental agency, including any water control or Utility District created under Article XVI, Section 59, of the Texas Constitution covering the land described in Exhibit "A" as well as other lands, public service corporation or other party is hereby expressly reserved to the Developer.

d. Neither the Developer, nor its successors or assigns, using paid utility easements shall be liable for any damage done by any of such parties or any of their agents or employees to shrubbery, trees, flowers or other property of the landowner situated on the land covered by said utility easements.

DURATION

4. The provisions hereof, including the Reservations, Restrictions, Covenants, Conditions and Easements herein set forth, shall run with the land and shall be binding upon the Developer, its successors and assigns, and all persons or parties claiming under it or them for a period of thirty-five (35) years from the date hereof, at which time all of such provisions shall be automatically extended for successive periods of ten (10) years each, unless prior to the expiration of any such period of thirty-five (35) years or ten (10) years, the then owners of a majority of lots in the Subdivision shall have executed and recorded an instrument changing the provisions hereof, in whole or in part, the provisions of said instrument to become operative at the expiration of the particular period in which such instrument is executed and recorded, whether such period be the aforesaid thirty-five (35) year period or any successive ten (10) year period thereafter.

ENFORCEMENT

5. In the event of any violation or attempted violation of any of the provisions hereof, including any of the Reservations, Restrictions, Covenants, Conditions, and Easements herein contained, enforcement shall be authorized by any proceedings at law or in equity against any person or persons violating or attempting to violate any of such provisions, including proceedings to restrain or prevent such violation or attempted violation by injunction, whether prohibitive in nature or mandatory in commanding compliance with such provisions; and it shall not be a prerequisite to the granting of any such injunction to show inadequacy of legal remedy or irreparable harm. Likewise, any person entitled to enforce the provisions hereof may recover such damages as such person has sustained by reason of the violation of such provisions. It shall be lawful for the Developer or for any person or persons owning property in the Subdivision (or in any other Section of Kerrville Hills Country Club Estates) to prosecute any proceedings at law or in equity against the person or persons violating or attempting to violate any of such provisions.

6. In the event that any portion of the provisions hereof shall become or be held invalid, whether by reason of abandonment, waiver, estoppel, judicial decision or otherwise, such partial invalidity shall not affect, alter or impair any other provision hereof which was not thereby held invalid; and such other provisions, including Restrictions, Reservations, Covenants, Conditions and Easements shall remain in full force and effect, binding in accordance with their terms.

EFFECT OF VIOLATIONS ON MORTGAGEES

7. No violation of the provisions herein contained, or any portion thereof, shall affect the lien of any Mortgage or Deed of Trust presently or hereafter placed of record or otherwise affect the rights of the Mortgagee under any such Mortgage, holder of any such lien or beneficiary of any such Deed of Trust; and any such Mortgage, lien or Deed of Trust may, nevertheless, be enforced in accordance with its terms, subject, however, to the provisions herein contained, including said Reservations, Restrictions, Covenants, Conditions and Easements.

II

ARCHITECTURAL CONTROL

BASIC RULE

1. No lot shall be re-subdivided and no building or other improvements of any character shall be erected or placed, or the erection or placing thereof commenced, or changes made in the design thereof or any addition made thereto or exterior alteration made therein after original construction, on any property in the Subdivision without approval (as hereinafter provided) of such re-subdivision or of the construction plans and specifications and a plat showing the location of such building or other improvements. Approval shall be granted or withheld based on compliance with the provisions hereof, quality of materials, harmony of external design with existing and proposed structures and location with respect to topography, adjacent structures, obstruction of view from nearby or adjoining lots and finished grade elevation.

ARCHITECTURAL CONTROL AUTHORITY

2. a. The authority to grant or withhold architectural control approval as referred to above is vested in the Developer; except, however, that such authority of the Developer shall terminate upon the election of the Kerrville Hills Architectural Control Committee, in which event such authority shall be vested in and exercised by the Kerrville Hills Architectural Control Committee (as provided in b. below), except as to plans and specifications and plats theretofore submitted to the Developer which shall continue to exercise such authority over all such plans, specifications and plats.

b. At such time as all of the lots in the Subdivision and in all other Sections of Kerrville Hills Country Club Estates (as platted, from time to time, hereafter) shall have been sold by the Developer, then the Developer shall cause a Statement of such circumstances to be placed of record in the Deed Records of Kerr County, Texas. Thereupon, the lot owners in Kerrville Hills Country

Club Estates may by vote, as hereinafter provided, elect a committee of three (3) members to be known as the Kerrville Hills Architectural Control Committee (herein referred to as the "Committee"). Each member of the Committee must be an owner of property in some Section of Kerrville Hills Country Club Estates. Each lot owner shall be entitled to one (1) vote for each whole lot or building site owned by that owner. The action of a majority of the Committee shall control and the Committee shall have the right to designate a representative to act for it in all matters arising hereunder.

The Developer shall arrange for such election within sixty (60) days following the filing of the aforesaid Statement. Notice of the time and place of such election (which shall be in Kerr County, Texas) shall be given not less than five (5) days prior thereto. Nothing herein shall be interpreted to require that the Developer actually file any such Statement so long as it has not subdivided and sold the entirety of the property described on Exhibit "A".

Votes of owners shall be evidenced by written ballot furnished by the Developer (or the Committee) and the Developer (or the Committee) shall maintain said ballots for a period of not less than four (4) years. Any owner may appoint a proxy to cast his ballot in such election, provided that his written appointment of such proxy is attached to the ballot as a part thereof. The results of each such election shall promptly be determined on the basis of the majority of those owners then voting in such election.

After the first such election shall have been held, thereafter the Committee shall be obligated to arrange for elections (in the manner and after notice as set forth above) for the removal and/or replacement of Committee members when so requested in writing by thirty (30) or more lot owners in the Subdivision. Members of the Committee may, at any time, be relieved of their position and substitute members therefor designated by vote as set forth above.

Upon the death, resignation, refusal or inability of any member of the Committee to serve, the remaining members of the Committee shall fill the vacancy by appointment, pending an election as hereinabove provided for.

If the Committee should fail or refuse to take any action herein provided to be taken by the Committee with respect to setting elections, conducting elections, counting votes and determining results, or naming successor Committee members, and such failure or refusal continues for a period which is unreasonably long (in the exclusive judgment of the Developer) then the Developer may validly perform such function.

c. The members of the Committee shall be entitled to such compensation for services rendered and reimbursement for reasonable expenses incurred as may, from time to time, be authorized or approved by the Developer. All such sums payable as compensation and/or reimbursement shall be payable only out of the "Maintenance Fund", hereinafter referred to.

FINALITY OF ACTION AND EFFECT OF INACTION

3. Approval or disapproval as to architectural control matters as set forth in the preceding provisions shall be in writing. The judgment of the Developer or the Committee in this respect shall be final and conclusive. In the event that the authority exercising the prerogative of approval or disapproval

(whether the Developer or the Committee) fails to approve or disapprove in writing any plans and specifications and plat submitted to it in compliance with the preceding provisions within thirty (30) days following such submission, such plans and specifications and plat shall be deemed approved and the construction of any such building and other improvements may be commenced and proceeded with in compliance with all such plans and specifications and plat and all of the other terms and provisions hereof.

EFFECT OF APPROVAL

4. The granting of the aforesaid approval shall constitute only an expression of opinion, whether by the Developer or the Committee, that the terms and provisions hereof shall be complied with if the building and/or other improvements are erected in accordance with said plans and specifications and plat; and such approval shall not constitute any nature of waiver or estoppel either as to the persons expressing such approval or any other person in the event that such building and/or improvements are not constructed in accordance with such plans and specifications and plat or in the event that such building and/or improvements are constructed in accordance with such plans and specifications and plat, but, nevertheless, fail to comply with the provisions hereof. Further, no person exercising any prerogative of approval or disapproval shall incur any liability by reason of the good faith exercise thereof. Exercise of any such prerogative by one (1) or more members of the Committee in their capacity as such shall not constitute action by the Developer after the election of such Committee members, notwithstanding that any such Committee member may be a Director of the Developer.

III

DESIGNATION OF TYPES OF LOTS

1. All lots in the Subdivision having a common boundary with the golf course adjacent to the Subdivision are hereby designated as "Fairway Lots".
2. All lots in the Subdivision having a view of the golf course adjacent to the Subdivision are hereby designated as "Fairway View Lots".
3. All lots in the Subdivision having a view location from hill-side, hill-top or elevated position are hereby designated as "View Lots".
4. All lots in the Subdivision not having any of the characteristics referred to in 1., 2. and 3. above are hereby designated as "Kerrville Hills Estates Lots".
5. The Architectural Control Committee shall have the exclusive and final right and authority to classify or designate any lot in the Subdivision as being any one of the above described designations in the event of any reasonable doubt as to the classification of the lot in question.

IV

GENERAL RESTRICTIONS

1. No building shall be erected, altered or permitted to remain on any lot other than one (1) detached single-family residential dwelling not to exceed

two (2) stories in height and a private garage (or other covered car parking facility) for not more than three (3) automobiles and other than bona fide servants' quarters; provided however, that the servants' quarters structure shall not exceed the main dwelling in area, height or number of stories. For purposes of this instrument, the word "lot" shall not be deemed to include any portion of the following areas shown on the recorded plat or any existing or future amendment, supplement, extension or addition thereto: the golf course; any esplanade; any unrestricted area; any cottage, apartment or condominium area.

2. The living area of the main residential structure (exclusive of porches, whether open or screened, garage or other car parking facility, terraces, driveways and servants' quarters) shall be not less than the following respective amounts for each of the designated types of lots:

Fairway Lots and Fairway View Lots: 1,800 sq. ft. for a one-story dwelling; 2,200 sq. ft. for a two-story dwelling, with 1,200 sq. ft. thereof on the first floor;

View Lots and Kerrville Hills Estates Lots: 1,600 sq. ft. for a one-story dwelling; 2,000 sq. ft. for a two-story dwelling, with 1,100 sq. ft. thereof on the first floor;

The exterior materials of the main residential structure and any attached garage (or other attached car parking facility) on all lots shall be not less than fifty-one percent (51%) masonry. A detached garage (or other detached car parking facility) may be of wood.

3. No building shall be located on any lot nearer to the front street line or nearer to the street side line than the minimum building set-back lines shown on the aforesaid plat (designated thereon as "B. L."), unless approval therefor is granted by the Developer or Committee in the case of unusual lot location, terrain or configuration. Subject to the provisions of Paragraph 4, no building shall be located nearer than five (5) feet to an interior side lot line. For the purpose of this covenant, eaves, steps and unroofed terraces shall be considered as a part of a building.

4. Any owner of one or more adjoining lots (or portions thereof) may consolidate such lots or portions into one building site, with the privilege of placing or constructing improvements on such resulting site, in which case side set-back lines shall be measured from the resulting side property lines rather than from the lot lines as indicated on the recorded plat. Any such composite building site or portion of a lot to be used as a building site must have a frontage at the building set-back line of not less than the frontage of the narrowest lot in the same block. Any such composite building site (or building site resulting from the remainder of one or more lots having been consolidated into a composite building site) must be of not less than nine thousand (9,000) square feet in area (and this shall supercede any contrary provision in the Subdivision plat). Any modification of a building site (changing such building site from either a single lot building site or from a multiple whole lot building site), whether as to size or configuration, may be made only with

the prior written approval of the Developer until the Committee is selected and thereafter, only with the prior written approval of the Committee. Upon any such required approval having been obtained, such composite building site shall thereupon be regarded as a "lot" for all purposes hereunder (except, however, that for purposes of voting for the Committee (as provided under Paragraph 2. b. above), an owner shall be entitled to one (1) vote for each whole lot within such owner's building site.)

5. All lots in the Subdivision shall be used only for single-family residential purposes. No noxious or offensive activity of any sort shall be permitted, nor shall anything be done on any lot which may be or become an annoyance or nuisance to the neighborhood. No lot in the Subdivision shall be used for any commercial, business or professional purpose nor for church purposes. The renting or leasing of any improvements thereon or portion thereof, without the prior written consent of Developer, is prohibited.

6. No house trailer, camper trailer, camper vehicle, motor vehicle (or portion thereof), or any tent, shack or other structure of a temporary character shall be lived in on any lot. No house trailer, truck, camper vehicle, tent, boat, trailer or similiar vehicle shall be parked or stored on any lot for more than twenty-four (24) hours without the express written consent of the Developer or the Committee, after its election, and then only at such locations, under such circumstances and with such cover as the Developer or the Committee shall specify.

7. No animals, livestock or poultry of any kind shall be raised, bred or kept on any lot, except that dogs, cats or other common household pets may be kept as household pets provided they are not kept, bred or maintained for commercial purposes and provided they do not constitute a nuisance and do not, in the sole judgment of the Developer constitute a danger or potential or actual disruption of other lot owners, their families or guests. All dogs, cats or other common household pets shall be kept in Kerrville Hills Country Club Estates only upon the condition that the custodian thereof abide by all of the ordinances and regulations of the City of Kerrville, Texas, with respect to the care, control and ownership of such animals within such city, including "leash" and "vaccination" ordinances; and reference is here made to such ordinances and regulations for all purposes.

8. Where a wall, fence, planter or hedge is not specifically prohibited under the Special Restrictions set forth in V below, the following (as to any permitted wall, fence, planter or hedge) shall apply: No wall, fence, planter or hedge in excess of two (2) feet high shall be erected or maintained nearer to the front lot line than the front building set-back line, nor on corner lots nearer to the side lot line than the building set-back line parallel to the side street. No rear fence, wall or hedge and no side fence, wall or hedge located between the side building line and the interior lot line (or located on the interior lot line) shall be more than five (5) feet high; provided, however, that no fence shall, in the sole and exclusive judgment of the Developer or the Architectural Control Committee, after its election, unduly interfere with the view from an adjoining lot.

No object or thing which obstructs sight lines at elevations between two (2) and six (6) feet above the roadways within the triangular area formed by intersecting street property lines and a line connecting them at points twenty-five (25) feet from the intersection of the street lines (or extensions thereof) shall be placed, planted or permitted to remain on corner lots.

9. The drying of clothes in public view is prohibited, and the owners or occupants of any lots at the intersection of streets or adjacent to parks, playgrounds or other facilities where the rear yard or portion of the lots is visible to the public, shall construct and maintain a drying yard or other suitable enclosure to screen drying clothes from public view.

10. All lots shall be kept at all times in a sanitary, healthful and attractive condition, and the owner or occupant of all lots shall keep all weeds and grass thereon cut and shall in no event use any lot for storage of material or equipment except for normal residential requirements or incident to construction of improvements thereon as herein permitted, or permit the accumulation of garbage, trash or rubbish of any kind thereon, and shall not burn any garbage, trash or rubbish. Garbage cans and receptacles shall be allowed to stand adjacent to or visible from any street area only on the days and during the hours of garbage pick-up as may be specified by the Developer or the Committee from time to time. All clothes lines, yard equipment or storage piles shall be kept screened by a service yard, drying yard or other similar facility as herein otherwise provided, so as to conceal them from view of neighboring lots, streets or other property.

In the event of default on the part of the owner or occupant of any lot in observing the above requirements or any of them, such default continuing after ten (10) days written notice thereof, the Developer (until the Committee is selected, and thereafter, the Committee) may, without liability to the owner or occupant in trespass or otherwise, enter upon (or authorize one or more others to enter upon) said lot, and cause to be cut, such weeds and grass, and remove or cause to be removed such garbage, trash and rubbish or do any other thing necessary to secure compliance with these restrictions, so as to place said lot in a neat, attractive, healthful and sanitary condition, and may charge the owner or occupant of such lot for the reasonable cost of such work and associated materials. The owner or occupant, as the case may be, agrees by the purchase or occupation of the property to pay such statement immediately upon receipt thereof; however, the payment of such charge is not secured by any nature of lien on the property.

11. Before initial residential occupancy, no sign, advertisement, billboard or advertising structure of any kind may be erected or maintained on any lot in the Subdivision without the prior approval of the Developer; and any such approval which is granted by the Developer may be withdrawn at any time by the Developer, in which event, the party granted such permission shall, within the period designated by the Developer (which in no event shall be less than five (5) days), thereupon remove same. After initial residential occupancy of improvements on any particular lot in the Subdivision, no sign, advertisement, billboard or advertising structure of any kind other than a normal for-sale sign approved by the Developer as to design, not exceeding two feet by three feet (2' x 3') erected on a post in the ground, and applicable to such lot along, may be erected or maintained on such lot.

The Developer until the Committee is selected, and thereafter, the Committee, shall have the right to remove and dispose of any prohibited sign, advertisement, billboard or advertising structure which is placed on any lot, and in so doing shall not be subject to any liability for trespass or other tort in connection therewith or arising from such removal nor in any way be liable for any accounting or other claim by reason of the disposition thereof.

12. The digging of dirt or the removal of any dirt from any lot is expressly prohibited except as necessary in conjunction with the landscaping of or construction on such lot. No trees shall be cut or removed except to provide room for construction of improvements or to remove dead or unsightly trees.

13. No outside aerial, pole or other device shall project above the highest ridge of the house by more than fifteen (15) feet, except with approval of the Developer or the Committee.

14. No lot or other portion of Kerrville Hills Country Club Estates shall be used or permitted for hunting or for the discharge of any pistol, rifle, shotgun, or any other firearm, or any bow and arrow or any other device capable of killing or injuring.

15. Driveways shall be entirely of concrete (except however, some other material may be used with the prior permission of the Developer) and shall be constructed with a minimum width of nine (9) feet along its entire length with expansion joints not more than twenty (20) feet apart, with one joint at the back of the street curb. The width of each driveway shall flair to a minimum of sixteen (16) feet at the curb and the curb shall be broken in such manner that the driveway may be at least four (4) inches thick at its end toward the street paving, and this extreme shall be poured against a horizontal form board to reduce the unsightly appearance of a revelling driveway.

16. Walks from the street curb to the residence shall have a minimum width of four (4) feet and shall be constructed entirely of concrete (except however, that some other material may be used with the prior consent of the Developer),

17. No outside toilets will be permitted, and no installation of any type of device for disposal of sewage shall be allowed which would result in raw or untreated or unsanitary sewage being carried into any water body. No septic tank or other means of sewage disposal may be installed unless approved by the proper governmental authorities having jurisdiction with respect thereto and the Developer.

18. With reasonable diligence, and in all events within six (6) months from the commencement of construction, unless completion is prevented by war, labor strike or an act of God, any dwelling or other structure commenced upon any lot shall be completed as to its exterior, and all temporary structures shall be removed.

19. No oil drilling, oil development operations, oil refining, or mining operations of any kind shall be permitted upon any lot, nor shall any tanks or mineral excavations be permitted upon any lot. No derrick or other structure designed for use in boring for oil, or natural gas, shall be erected, maintained or permitted on any building site. At no time shall the drilling, usage or operation of any water well be permitted on any lot. These provisions shall not prohibit directional drilling for and production of oil, gas and other minerals from under the Subdivision so long as none of the equipment or machinery for such drilling or production operations is located upon the surface of any area included in the Subdivision and one-half (1/2) of the royalty payable upon production so obtained shall be allotted and paid to the Maintenance Fund created in VI below.

V

SPECIAL RESTRICTIONS

1. In addition to the General Restrictions set forth in IV above, the following restrictions shall apply to Fairway Lots:

a. No wall, fence, planter, hedge (or other improvement or object serving a like or similar purpose) shall be constructed or permitted without the written consent of the Developer. In no event shall the Developer approve any of the aforesaid along any lot line, except that a chain link fence not to exceed three feet (3') in height shall be allowed along the boundary between the golf course and Lots Nos. 1 & 2, Block F, of the Subdivision.

b. Any garage or other structure must be attached to the main residence and must not be nearer than twenty-five (25) feet to the common boundary separating such lot from the golf course without express written approval of the Developer.

MAINTENANCE FUND

1. Each lot (or residential building site) in the Subdivision shall be and is hereby made subject to an annual maintenance charge, except as otherwise hereinafter provided.
2. The maintenance charge referred to shall be used to create a fund to be known as the "Maintenance Fund"; and each such maintenance charge shall (except as otherwise hereinafter provided) be paid by the owner of each lot (or residential building site) annually, in advance, on or before January 1st of each year, beginning 1972.
3. The exact amount of each maintenance charge will be determined by the Developer during the month preceding the due date of said maintenance charge. All other matters relating to the assessment, collection, expenditure and administration of the Maintenance Fund shall be determined by the Developer.

In addition to the maintenance charge herein referred to, each building site shall be subject to a monthly charge of \$. 50 for street lighting services; such charge may be included in the monthly bill from Lower Colorado River Authority to such lot owner and shall be in addition to all other charges which such lot owner may incur for electric service.

4. The maintenance charge shall not, without the consent of the Developer, apply to lots owned by the Developer or owned by any person, firm, association or corporation engaged primarily in the building and construction business which has acquired title to any such lots for the sole purpose of constructing improvements thereon and thereafter selling such lots; however, upon any such sale of such lots by such person, firm, association or corporation to a purchaser whose primary purpose is to occupy and/or rent and/or lease such lot (and improvements thereon, if any) to some other occupant, then the maintenance charge shall thereupon be applicable to such lot; and the Developer hereby consents to the applicability of the maintenance charge to each such lot under the circumstances herein stated. Any transfer of title to any lot by any such person, firm, association or corporation engaged primarily in the building and construction business to a transferee engaged primarily in the building and construction business shall not result in the applicability of the maintenance charge to such lot owned by the transferee or any succeeding transferee primarily engaged in the building and construction business without the consent of the Developer. The Developer reserves the right at all times, in its own judgment and discretion, to exempt any lot in the Subdivision from the maintenance charge, and exercise of such judgment and discretion when made in good faith shall be binding and conclusive on all persons and interests. The Developer shall have the further right at any time, and from time to time, to adjust, alter or waive said maintenance charge from year to year as it deems proper; and Developer shall have the right at any time to discontinue or abandon such maintenance charge, without incurring liability to any person whomsoever by filing a written instrument in the office of the County Clerk of Kerr County, Texas, declaring any such discontinuance or abandonment.

5. The maintenance charges collected shall be paid into the Maintenance Fund to be held and used for the benefit, directly or indirectly, of the Subdivision; and such Maintenance Fund may be expended by the Developer for any purposes which, in the judgment of the Developer will tend to maintain the property values in the Subdivision, including, but not by way of limitation: maintenance of golf course adjacent

to the Subdivision, providing for the enforcement of the provisions of this instrument, including the aforesaid Reservations, Restrictions, Covenants, Conditions and Easements; reasonable compensation and reimbursement to the Developer and members of the Committee with respect to services performed by such Developer and Committee members incident to their duties hereunder; for the maintenance, operation, repair, benefit and welfare of any recreational facilities which might hereafter be established in Kerrville Hills Country Club Estates; and generally for doing any other thing necessary or desirable in the opinion of the Developer to maintain or improve the property or the Subdivision. The use of the Maintenance Fund for any of these purposes is permissive and not mandatory, and the decision of the Developer with respect thereto shall be final, so long as made in good faith.

6. In order to secure the payment of the maintenance charge hereby levied, a vendor's lien shall be and is hereby reserved in the Deed from the Developer to the purchaser of each lot or portion thereof, which lien shall be enforceable through appropriate judicial proceedings by the Developer. Said lien shall be deemed subordinate to the lien or liens of any bank, insurance company, savings and loan association or other lender which hereafter lends money for the purchase of any property in the Subdivision, and/or for construction (including improvements) and/or permanent financing of improvements on any such property.

7. These provisions as to the maintenance charge and Maintenance Fund shall continue in effect unless changed in the manner herein provided for effecting changes in the restrictive covenants hereinabove set forth.

8. The total charges to any lot owner for the Maintenance Fund shall not exceed \$100.00 for any one calendar year: For this purpose any person owning two adjoining lots which are used as a single building site shall be considered the owner of only one lot.

VII

TRANSFER OF FUNCTIONS OF THE DEVELOPER

The Developer may at any time hereafter cause a non-profit corporation to be organized under the laws of the State of Texas for the purpose of exercising all or any of the duties and prerogatives of the Developer hereunder (including the matters relating to maintenance charges and the Maintenance Fund and relating to the Architectural Control Committee). Any such delegation of authority and duties shall serve to automatically release the Developer from further liability with respect thereto and vest such duties and prerogatives in such non-profit corporation. Any such delegation shall be evidenced by an instrument amending this instrument, placed of record in the Deed Records of Kerr County, Texas, and joined in by the Developer and the aforesaid non-profit corporation but not, however, requiring the joinder of any other person in order to be fully binding, whether such other person be an owner of property in the Subdivision, a lienholder, mortgagee, Deed of Trust beneficiary or any other person.

VIII

CHANGED STREET NAMES

The following changes are hereby made in the names of certain street within the Subdivision as such street names appear on the Plat recorded in Volume 3, Page 21 of the Plat Records of Kerr County, Texas, to-wit:

"Tamanaco Boulevard" is hereby changed to "Kerrville Hills Boulevard";

"Larrylee Boulevard" is hereby changed to "Singing Hills Boulevard";

"Vista Del Lago Circle" is hereby changed to "Burning Hills Drive";

"Larrylee Circle" is hereby changed to "Valley Verde Circle";

"Avenida Buena Vista" is hereby changed to "Loma Vista Lane";

"Avenida Fletcha" is hereby changed to "Avenida Del Lago";

"Avenida Orinoco" is hereby changed to "Avenida Del Mar";

The first street to intersect the South boundary of Kerrville Hills Boulevard nearest the intersection of Kerrville Hills Boulevard and State Highway No. 16, and which street is adjacent to lots Nos. 2 and 3 of Section "C" of the Subdivision, is hereby named "El Rancho Vista".

IX

AMENDMENT TO RESTRICTIONS

The restrictions and covenants herein contained and adopted may be repealed or altered, and additional restrictions and covenants may be adopted at any time by the concurrence of Developer, its successors and assigns, and the owners of a majority of the lots in the Subdivision, but any such amendment shall not be operative unless and until executed by said persons and recorded in the Plat Records of Kerr County, Texas

X

BINDING EFFECT

All of the provisions hereof shall be covenants running with the land thereby affected. The provisions hereof shall be binding upon and inure to the benefit of the owners of the land affected and the Developer and their respective heirs, executors, administrators, successors and assigns.

WITNESS our hands at Kerrville, Texas, on this the 25th day of March, 1971.

ATTEST:

KERRVILLE HILLS DEVELOPMENT CO.

By: [Signature]

By: [Signature]

The foregoing Reservations, Restrictions, Covenants, Conditions and Easements are hereby ratified, confirmed, adopted and agreed to by Kanella M. Turner and J. D. Brance who are the owners of all of the lots in the Subdivision heretofore conveyed by the Developer.

EXECUTED this 25th day of March, 1971.

Kanella M. Turner
Kanella M. Turner

J. D. Brance
J. D. Brance

COUNTY OF KERR

BEFORE ME, the undersigned authority, on this day personally appeared R. E. Owens, President of Kerrville Hills Development Co., a corporation, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that the same was the act of said corporation, and that he executed the same as the act and deed of such corporation for the purposes and consideration therein expressed and in the capacity therein stated.

Given under my hand and seal of office this 25 day of March, 1971.

D. J. Ryan
Notary Public, Kerr County, Texas

THE STATE OF TEXAS

COUNTY OF KERR

BEFORE ME, the undersigned authority, on this day personally appeared Kanella M. Turner, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this 25th day of March, 1971.

Beth L. Meilleur
Notary Public, Kerr County, Texas
BETH LEMEILLEUR
Notary Public
Kerr County, Texas

THE STATE OF TEXAS

COUNTY OF KERR

BEFORE ME, the undersigned authority, on this day personally appeared J. D. Brance, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this 31st day of March, 1971.

FILED FOR RECORD

at 9:35 o'clock A.M.,

MAR 31 1971

Emmie M. Meender
Clerk County Court, Kerr County, Texas

By _____ Deputy

Lucas D. James
Notary Public, Kerr County, Texas

EXHIBIT "A"

Lots 1 thru 3, Block A
Lot 1, Block B
Lots 1 thru 3, Block C
Lots 1 thru 8, Block D
Lots 1 thru 21, Block E
Lots 1 thru 14, Block F

Lots 1 thru 18, Block G
Lots 1 thru 4, Block H
Lots 1 thru 17, Block J
Lots 1 thru 15, Block K
Lots 2 thru 38, Block L
Lots 1 thru 27, Block M

and being all of the lots shown in Plat of Tamanaco Estates, dated June 26, 1967, recorded in Vol. 3, page 21, Kerr County Plat Records.

Filed for record March 31, 1971 at 9:35 o'clock A. M.

Recorded April 1, 1971

EMMIE M. MUENKER, Clerk

By Margaret Muenker Deputy