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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
NORTH FORK NO. 1

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (this "Declaration") made by NORTH FORK NUMBER ONE, a joint venture partnership ("Declarant");

WITNESSETH:

Declarant is the owner of the real property referred to in Article II of this Declaration, and desires to create on said property a residential community and to provide for the preservation of the values and amenities in said community by subjecting the real property referred to in Article II to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth.

NOW, THEREFORE, Declarant declares that the real property referred to in Article II is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, conditions, restrictions, easements, charges and liens (sometimes referred to as "Covenants, Conditions and Restrictions") hereinafter set forth.

ARTICLE I
DEFINITIONS

The following words when used in this Declaration (unless the context shall prohibit) shall have the following meanings:

(a) "Association" shall mean and refer to NORTH FORK NO. 1 OWNERS ASSOCIATION, a nonprofit corporation to be created under the Texas Nonprofit Corporation Act.

(b) "Properties" shall mean and refer to all of the property subject to this Declaration pursuant to the provisions of Article II hereof.

(c) "Common Properties" shall mean and refer to those areas of land designated as Common Properties or Common Areas on the plat of the Properties, together with any and all improvements that are now or may hereafter be constructed thereon, and all equipment and facilities thereon.

(d) "Lot" shall mean and refer to each of the lots, tracts or plots of land lying within the Existing Property.

(e) "Owner" shall mean and refer to every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenant of record to assessment by the Association, including contract sellers, or who becomes a record owner of a fee or undivided fee interest by the acquisition of such title to any such Lot from such a record owner. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation or any persons or entities who lease any Lot.

(f) "Member" shall mean and refer to each Owner as provided herein in Article III.

(g) "Declarant" shall mean and refer to NORTH FORK NUMBER ONE, its successors and assigns, if (i) such successors and assigns should acquire more than one undeveloped Lot from the said NORTH FORK NUMBER ONE for the purpose of development, and (ii) any such assignee shall receive by assignment from said Declarant all or a portion of its rights hereunder as such Declarant, by an instrument expressly assigning such rights as Declarant to such assignee.

(h) "Existing Property" shall mean and refer to the real property which is, and shall be, held, transferred, sold, conveyed and occupied subject to this Declaration pursuant to Section 1 of Article II.

ARTICLE II
PROPERTY SUBJECT TO THIS DECLARATION; ADDITIONS THERETO

The real property which is, and shall be, held, transferred, sold, conveyed, and occupied subject to this Declaration (hereinafter defined as the "Existing Property") is located in Kerr County, State of Texas, and is more particularly described in EXHIBIT "A," attached hereto and made a part hereof for all purposes.

Declarant may, without the consent of any Owner, at any time and from time to time, add to the Existing Property, and to the concept of this Declaration any property which it now or hereafter owns within Kerr County, Texas, by filing of record a Supplemental Declaration of Covenants, Conditions and Restrictions, and such Supplemental Declaration may contain such complementary additions and modifications of the covenants, conditions and restrictions contained in this Declaration as Declarant may determine to be necessary.

ARTICLE III
MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Membership. Every Owner of a Lot (including the transferee of such Owner who becomes an Owner by the acquisition of a fee or undivided fee interest in a Lot) shall upon the acquisition, by original purchase or transfer, of the fee or undivided fee interest in such Lot, automatically be a Member of the Association and entitled to all rights of the Members, as herein provided, including the rights with respect to the Common Properties, subject, however, to the terms and provisions hereof.

Section 2. Classes of Membership. The Association shall have two classes of voting membership:

CLASS A: Class A Members shall be all Members with the exception of Declarant. Class A Members shall be nonvoting Members until such time as Declarant, or its successors and assigns, do not own any Lots, and all Lots are improved with residential improvements, or at such earlier time as Declarant shall by Supplemental Declaration declare that Class A Members shall be voting, after which each Class A Member shall be entitled to one vote for each Lot in which they hold the interest required for membership, subject to the provisions hereof concerning Class B Members. When more than one persons 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.

CLASS B: Class B Member(s) shall be Declarant. The Class B Member(s) shall be entitled to all votes and voting rights for all Members, and Class A Member(s) shall have no vote or voting rights, i.e., Class A Members shall be nonvoting until the events specified above shall have occurred; Where the vote of all classes of membership is expressly required by this Declaration. The voting rights of Class B Member(s) shall cease at such times as Declarant sells or no longer owns any Lot and all Lots are improved with residential improvements, at which time Class A Members shall have the voting rights specified above.

All voting, notice and quorum requirements shall be as set forth in the Bylaws. Any vote or consent of Members required or permitted herein shall be the requisite percentage of Members specified present and voting in person or by proxy at a meeting called for the purposes thereof.

ARTICLE IV
PROPERTY RIGHTS IN THE COMMON PROPERTIES

Section 1. Member's Easements of Enjoyment. Subject to the provisions of Section 3 of this Article, every Member and every tenant of every Member who resides on a Lot, and each individual who resides with either of them or who is a guest of either of them, respectively, on such Lot shall have a right and easement of use and enjoyment in and to the Common Properties and such easement shall be appurtenant to and shall pass with the title to every Lot; PROVIDED, HOWEVER, such easement shall not give such person the right to make alterations, additions or improvements to the Common Properties.

Section 2. Title to the Common Properties. The Declarant shall dedicate and convey the fee simple title to the Common Properties to the Association, free and clear of all encumbrances and liens other than the lien of current taxes and assessments not in default and utility easements and mineral interests outstanding and of record in Kerr County, Texas.

Section 3. Extent of Members' Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

(a) The right of the Association to prescribe regulations governing the use, operation and maintenance of the Common Properties (including limiting the number of guests of Members);

(b) Subject to the vote of two-thirds (2/3rds) of the votes of each class of membership (Class A and Class B) in accordance with its Articles of Incorporation, to borrow money for the purpose of improving the Common Properties and facilities and in aid thereof to mortgage the Common Properties, and the rights of such mortgagee in the Common Properties shall be subordinate to the rights of the members hereunder;

(c) The right of the Association, as provided in its Bylaws, to suspend membership rights for any period during which any assessment against a Lot remains unpaid, and for any period not to exceed sixty (60) days for an infraction of its rules and regulations; provided that the Association shall not deny the use of such of the Common Properties as is necessary for access to each Lot, including without limitation streets and sidewalks.

(d) Subject to the vote of two-thirds (2/3rds) of the votes of voting Members entitled to be voted and cast by the Members present or represented by proxy at a meeting at which a quorum is present and which is duly called and held for the following purpose, the right of the Association to dedicate or transfer all or any part of the Common Properties to any public agency, authority or utility for such purposes and upon such conditions as the Board of Directors of the Association may determine.

ARTICLE V
COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligations of Assessments. Declarant, for each Lot owned by it within the Properties, hereby covenants and agrees, 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, shall be deemed to covenant and agree, to pay to the Association assessments or charges, such assessments to be fixed, established and collected from time to time as hereinafter provided. The assessments, together with such interest thereon and costs of collection thereof, shall be a charge on, and shall be a continuing lien upon, each Lot against which each such assessment is made, and shall also be the continuing personal obligation of the person who was the Owner of such property at the time when the assessment became due.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used (i) for the purpose of promoting the recreation, health, safety and welfare of the residents of the Properties; (ii) for paying

the cost of labor, equipment (including the expense of leasing any equipment) and materials required for, and management and supervision of, the Common Properties; (iii) for carrying out the duties of the Board of Directors of the Association; and (iv) for carrying out the purposes of the Association as stated in its Articles of Incorporation.

Section 3. Improvements and Maintenance of the Common Properties Prior to Conveyance to the Association. After the date of the conveyance of the first lot to an Owner, the Declarant shall have, at its election, the right in common with the Association to improve and maintain the Common Properties, and to exercise the duties of the Board of Directors of the Association and to pay taxes on and insurance in connection with the Common Properties and the cost of repairs, replacements and additions thereto, and for paying the cost of labor, equipment (including the expense of leasing any equipment) and materials required for, and management and supervision of, the Common Properties. In this regard, all assessments collected by the Association (less such amounts required for the operation of the Association) shall be forthwith paid by the Association to Declarant, to the extent that such assessments are required by Declarant to improve and maintain the Common Properties as set forth in this paragraph and to carry out the duties of the Board of Directors of the Association.

Section 4. Basis and Amount of Annual Assessments. The Board of Directors shall not be required to fix assessments in each year, but the Board of Directors may fix the assessments at such amount as it shall determine. Commencing with the year beginning January 1, 1986, and each year thereafter, the amount of the maximum annual assessment for the year beginning January 1, 1986, for each lot may not be increased more than an amount equal to ten percent (10%) of the annual assessment for the previous year without a vote of a majority of the voting Members and entitled to vote thereon.

Section 5. Special Assessments for Capital Improvements. The Board of Directors may in its discretion levy in any assessment year an assessment for the purpose of defraying, in whole or in part, the cost of any unexpected construction, reconstruction, repair or replacement of a capital improvement upon the Common Properties, including the necessary fixtures and personal property related thereto; PROVIDED, THAT any such assessment shall have the affirmative approval of two-thirds (2/3rds) of the voting Members entitled to vote at a meeting at which a quorum is present and which is duly called and held for such purpose.

Section 6. Date of Commencement of Assessments: Due Dates. The assessments provided for herein shall be paid and shall be fixed in the respective resolution authorizing such assessment.

Section 7. Duties with Respect to Assessments.

(a) If the Board of Directors decides to fix and set assessments, the Board of Directors of the Association shall so fix the amount of the assessment against each lot at least by November 1st in the year prior to each annual calendar assessment period and shall, at that time, prepare a roster of the lots and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner.

(b) Written notice of the assessment shall thereupon be delivered or mailed to every Owner subject thereto.

(c) The Board of Directors shall upon demand at any time furnish to any Owner liable for said assessment a certificate in writing signed by an officer or agent 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. A reasonable charge may be made by the Board for the issuance of such certificates.

Section 8. Effect of Nonpayment of Assessment: The Personal Obligation of the Owner; the Lien; Remedies of Association; Sale by Delinquent Owner.

(a) If any assessment or any part thereof is not paid on the date(s) when due, then the unpaid amount of such assessment shall become delinquent and shall, together with such interest thereon and cost of collection thereof as hereinafter provided, thereupon become a continuing lien on the Lot of the nonpaying Owner which shall bind such Lot in the hands of the Owner, his heirs, legal representatives, successors and assigns. The obligation of an Owner to pay such assessments as are payable on or prior to the date on which his successors in title take possession of his Lot shall remain his personal obligation and shall not pass to his successors in title unless expressly assumed by them. The lien for unpaid assessments shall be unaffected by any sale or assignment of a Lot and shall continue in full force and effect, except as otherwise expressly provided in this Section. No Owner may waive or otherwise escape liability for the assessment provided herein by nonuse of the Common Properties or abandonment of his Lot.

(b) If any assessment or part thereof is not paid within thirty (30) days after the delinquency date, the unpaid amount of such assessment shall bear interest from the date of delinquency at the rate of ten percent (10%) per annum, and the Association may, at its election, bring an action at law against the Owner personally obligated to pay the same in order to enforce payment and/or to foreclose the lien against the property subject thereto and there shall be added to the amount of such assessment the costs of preparing and filing the complaint in such action and in the event a judgment is obtained such judgment shall include interest on the assessment as above provided and reasonable attorneys' fees to be fixed by the court, together with the costs of such action.

(c) No Owners shall, without the prior written consent of the Association (which consent need only be approved by the Board of Directors of the Association), sell, convey or in any way transfer any Lot, in whole or in part, when and if a certificate or notice of an unpaid assessment has been filed as to any such Lot, and such Owner may obtain from the Board of Directors of the Association, and upon request it shall furnish to such Owner's purchaser or transferee, a certificate (dated not more than ten (10) days prior to the date of transfer or conveyance) in writing signed by an officer or agent of the Association setting forth that all assessments payable by such Owner have been paid to the date thereof that such Owner is not delinquent in the payment of such assessments as of the date thereof, and that such Owner is otherwise in good standing with the Association. Any sale, transfer or conveyance by any Owner in violation of this subparagraph shall be void and of no force and effect. Any transfer or conveyance by virtue of foreclosure, or in lieu thereof, with respect to first mortgages or deeds of trust constituting and creating a valid lien on a Lot are expressly excluded from the provisions and requirements of this subparagraph.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate and inferior to the lien or equivalent security interest of any mortgage or deed of trust now or hereafter placed upon a Lot subject to assessment, if the mortgage or deed of trust is placed upon the Lot at a time when no certificate or notice of default has been filed of any assessment for such Lot; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to the time when the holder of any mortgage or deed of trust comes into possession of a Lot under the provisions of the mortgage, by virtue of foreclosure of the mortgage, or by deed or assignment in lieu of foreclosure, or the time when a purchaser at any such foreclosure sale comes into possession, except for claims for a share of such charges or assessments resulting from a reallocation of such charges or assessments to all Lots including the mortgaged Lot in question. Such sale shall not relieve such Lots from liability for the amount of any assessments thereafter becoming due nor from the lien of any such subsequent assessment.

Section 10. 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 authority and devoted to public use.

(b) All Common Properties as defined in Article I hereof.

Section 11. Omission of Assessments. The omission of the Board of Directors, before the expiration of any year, to fix the assessments hereunder for that or the next year, shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of any Owner from the obligation to pay the assessments, or any installment thereof for that or any subsequent year, but the assessment fixed for the preceding year shall continue until a new assessment is filed.

ARTICLE VI
GENERAL POWERS AND DUTIES OF THE BOARD OF DIRECTORS
OF THE ASSOCIATION

Section 1. Powers and Duties. The Board shall have the rights and powers specified herein and in the Bylaws and Articles of Incorporation.

Section 2. Board Powers, Exclusive. The Board shall have the exclusive right to contract for all goods, services and insurance, payment for which is to be made from the maintenance fund, and the exclusive right and obligation to perform the functions of the Board, except as otherwise provided herein.

Section 3. Owner's Obligations to Repair. Each Owner shall, at his sole cost and expense, maintain and repair his Lot and the dwelling and other improvements situated thereon, keeping the same in good condition and repair. In the event that any Owner shall fail to maintain and repair his Lot and such dwelling and improvements as required hereunder, the Association, in addition to all other remedies available to it hereunder or by law, and without waiving any of said alternative remedies, shall have the right, through its agents and employees, to enter upon said Lot and to repair, maintain and restore the Lot and the exterior of the dwelling and other improvements situated thereon; and each Owner (by acceptance of a deed for his Lot) hereby covenants and agrees to repay to the Association the cost thereof immediately upon demand, and the failure of any such Owner to pay the same shall carry with it the same consequences as the failure to pay any assessment hereunder when due.

ARTICLE VII
USE OF LOTS AND COMMON PROPERTIES - PROTECTIVE COVENANTS

The Properties (and each Lot situated therein) and the Common Properties shall be occupied and used as follows, and shall be subject to the following restrictions:

Section 1. Residential Purposes Only. Each Lot shall be used exclusively for single family residential purposes, and carports and parking spaces shall be used exclusively for the parking of passenger automobiles, other than automobiles designed and used for competitive racing. No more than one (1) single-family residential structure and garage or carport shall be constructed on each Lot; provided that if approved by the Architectural Control Committee, two (2) guest and caretaker structures may be constructed on each Lot. All garages shall face down river (toward the descending flow of the Guadalupe River). All planes, trailers, boats, campers, abandoned cars or trucks shall be parked or housed in garages, or by such other means or in such other location in order to conceal the same from view from the street.

Section 2. Obstructions, Etc.. There shall be no obstruction of the Common Properties, nor shall anything be kept or stored in the Common Properties, nor shall anything be altered or constructed or planted in or removed from the Common Properties without the written consent of the Board.

Section 3. Restricted Actions by Owners. No Owner shall permit anything to be done or kept on his lot or in the Common Properties which will result in the cancellation of or increase of any insurance carried by the Association, or which would be in violation of any law. No waste shall be committed in the Common Properties.

Section 4. Signs. No sign of any kind shall be displayed to the public view on or from any part of the Properties, without the prior consent of the Board, except signs temporarily used by Declarant in the development, sale or leasing of Lots, and "for sale" signs (of a size and composition approved by the Architectural Control Committee) temporarily used in the sale of Lots.

Section 5. Nuisances. Nothing shall (i) be done in any part of the Properties, nor shall (ii) any noxious or offensive activity be carried on, nor shall (iii) any outside lighting or loudspeakers or other sound-producing devices be used, which, in the judgment of the Board may be or become an unreasonable annoyance or nuisance to the other Owners.

Section 6. Attachments. No permanent attachments of any kind or character whatsoever (including, but not limited to, television and radio antennas and any other external antennas) shall be made to the roof or walls of any home, unless such attachments shall have first been submitted to and approved by the Architectural Control Committee hereinafter provided.

Section 7. Damage to the Common Properties. Each Owner shall be liable to the Association for any damage to the Common Properties caused by the negligence or willful misconduct of the Owner or his family, guests or invitees.

Section 8. Rules of the Board. All Owners and occupants shall abide by any rules and regulations adopted by the Board. The Board shall have the power to enforce compliance with said rules and regulations by all appropriate legal and equitable remedies, and an Owner determined by judicial action to have violated said rules and regulations shall be liable to the Association for all damages and costs, including attorneys' fees.

Section 9. Animals. No animals, livestock or poultry shall be raised, bred or kept in any portion of the Property; except that dogs, cats or other household pets may be kept, but not for any commercial purposes, provided that they do not create a nuisance, and provided that they are not permitted in or along the water's edge of the Guadalupe River and are contained within each Lot by an enclosure on such Lot or by leash or otherwise. Notwithstanding the foregoing, horses may be kept on any Lot which contains more than five (5) acres, but such horses shall be contained within such Lot to the same extent as is required for other animals herein.

Section 10. Waste. No Lot shall be used or maintained as a dumping ground for rubbish, trash or garbage. Trash, garbage, debris, refuse and waste of any nature shall not be kept on any part of the Properties except in sanitary conditions. No outside toilets will be permitted, and no installation of any kind for disposal of sewage shall be allowed which would result in raw, treated or untreated sewage or septic tank drainage on or into the surface, alleys, ditches or water bodies. No septic tank or sewage disposal system may be installed without prior approval of the Architectural Control Committee and the proper governmental authorities. All state, county and municipal (if any) health and sanitation statutes, rules, ordinances and regulations must be complied with at all times. No building materials of any kind or character shall be placed or stored upon a Lot until the Owner is ready to commence improvements, and then such material shall be placed within the property lines of the Lot. No noxious or undesirable thing or use whatsoever shall be permitted on any Lot.

Section 11. Boats. Neither a motorboat, houseboat or other similar water-borne vehicle nor any "camper" vehicle, motor home or travel trailer may be maintained, stored or kept on any parcel of property covered by these covenants except in an enclosed garage thereon, or by such other means or in such other location as conceals the same from view from the street.

Section 12. Drainage and Maintenance. Each Owner shall not alter or change the drainage or seepage on, over and across, nor the grade of, his Lot by channeling, filling, grading, excavating or any other means or acts and shall not do, permit or cause to be done any act that results or might reasonably be expected to result in any adverse change or affect on such drainage or seepage.

Section 13. Set Back Restrictions. No building shall be located on any Lot nearer than fifty (50) feet to the rear line or the front line of a Lot or nearer than twenty-five (25) feet to the side line of a Lot. No projection of any building shall be permitted to extend into or encroach upon the space between said building or set-back line and the Lot line, except that the steps and platform of the main door may extend over said line not to exceed five (5) feet. The habitable floor area, as herein defined, of all improvements shall be constructed and located at least one (1) foot above the 100-year flood plain.

Section 14. Fences, Walls, Hedges and Shrubs. All fences, walls, hedges and shrubs shall be approved as provided in ARTICLE VIII, and no chain link fences shall be permitted. No fence, wall, hedge or shrub shall be constructed or placed within fifty (50) feet of the water's edge of the Guadalupe River, and no fences, wall, hedge or shrub which obstructs sight lines at elevations between two (2) and six (6) feet above the roadways shall be placed or permitted to remain on any corner Lot within the triangular area formed by the street property lines and a line connecting them at points 20 feet from the intersection of the street right of way lines, or in the case of a rounded property corner from the intersection of the street property lines extended. The same sight line limitation shall apply to any Lot within ten (10) feet of a driveway or alley pavement. No tree shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines. No screen planting over 30 inches high nor any fence shall be permitted between the Lot line and the building setback line.

Section 15. No Prefabricated Construction. All residences and other structures constructed or erected upon any Lot shall be new construction, and in no event shall any prefabricated, mobile home, modular home, or existing residences or garages be moved onto any Lot.

Section 16. Communication Equipment. No communication receiving or transmitting device or equipment shall be used on any Lot which interferes with the television reception on any other Lot without the prior written consent of the Architectural Control Committee, which consent may be withheld or, once given, revoked for any reason.

Section 17. Hunting. Hunting is prohibited on the Common Properties and all Lots unless such hunting is planned, conducted or permitted under the direction of the Board of Directors of the Association.

Section 18. Vegetable Gardens. No vegetable gardens shall be placed on any Lot, except behind enclosed areas situated on such Lot. Fences which enclose such areas must be approved by Architectural Committee.

Section 19. Maximum Building Coverage. The total habitable floor area (which shall mean living space which is heated, air-conditioned and enclosed) of the residence on each Lot (excluding garages or porches) shall have a minimum of 2,000 square feet.

Section 20. Temporary Structures. No temporary structure of any kind shall be erected or placed on any Lot. Any garage and/or servants quarters erected more than one hundred twenty (120) days prior to the completion of the main dwelling or residence shall be considered temporary structures. In no event shall any residential dwelling upon any Lot be occupied until it has been fully completed in accordance with the plans approved by the Architectural Control Committee. No trailer, basement, tent, shack or garage erected or placed on any Lot shall at any time be used as a residence

temporarily or permanently, nor shall any structure of a temporary character be used as a residence.

Section 21. Repair. Each Member shall, at his sole cost and expense, maintain and repair his Lot and the dwelling and other improvements situated thereon, keeping the same in good condition and repair. In the event that any Member shall fail to maintain and repair his Lot and such dwelling and improvements as required hereunder, the Association, in addition to all other remedies available to it hereunder or by law, and without waiving any of said alternative remedies, shall have the right, through its agents and employees, to enter upon said Lot and to repair, maintain and restore the Lot and the improvements situated thereon; and each Member (by acceptance of a deed for his Lot) hereby covenants and agrees to repay to the Association the cost thereof immediately upon demand, and the failure of any such Member to pay the same shall carry with it the same consequences as the failure to pay any assessment hereunder when due.

Section 22. Oil and Gas. 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.

Section 23. Construction of Buildings and Other Structures. All buildings and structures on each Lot shall be of new construction and architecturally approved as herein provided. Not more than one residence shall be constructed on any one Lot and any structure on any Lot shall have not less than sixty percent (60%) masonry construction, unless otherwise approved by the Architectural Control Committee.

ARTICLE VIII ARCHITECTURAL CONTROL

Anything contained in this Declaration to the contrary notwithstanding, no erection of buildings or structures or exterior additions or alterations to any building or structure situated upon the Properties or erection or installation of or changes or additions in landscaping, fences, hedges, walls and other structures, nor construction of any improvements nor any changes in the exterior color of any building, structure, fence, wall or other improvement, shall be commenced, erected or maintained until (1) a preliminary sketch showing the basic plan and general specifications of same shall have been submitted to and approved by an Architectural Control Committee (hereinafter called the "Committee") appointed by the Board of Directors of the Association, and (2) the final plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing as to harmony of external design, appearance and location in relation to surrounding structures and topography by the Committee. The Committee may approve variances from the set-back restrictions provided in Section 13 of Article VII hereof on any Lot where the topography of the Lot would dictate such variance. A copy of the approved plans and drawings shall be furnished by the Owner to the Committee and retained by the Committee. If approval is granted, construction shall be commenced within six (6) months thereafter, and if not, such approval shall be automatically withdrawn. The building of any approved structure must be completed within six (6) months of commencement of construction. The Committee shall designate the streets and roads onto which access from each Lot must be located and no other access shall be permitted. In the event the Committee fails to approve or disapprove such design, location or variance request within thirty (30) days after said plans and specifications have been submitted to it, or in any event, if no suit to enjoin the addition, alteration or change has been commenced prior to the completion thereof, approval will not be required and this Article will be deemed to have been fully complied with. Neither the members of the Committee nor the Board of Directors shall be entitled to compensation for, or liable for damages, claims or causes of action arising out of, services performed pursuant to this Article.

ARTICLE IX
EASEMENTS

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Section 1. Utility Easements. Easements for installation, maintenance, repair and removal of utilities (including, but not limited to, sewer, water, telephone, power, gas and street lighting) and drainage facilities and floodway easements over, under and across the Properties are reserved by Declarant for itself, its successors and assigns. Declarant shall have the right to grant easements for such purposes over, under and across the Properties. Full rights of ingress and egress shall be had by Declarant and its successors and assigns at all times over the Properties for the installation, operation, maintenance, repair or removal of any utility together with the right to remove any obstruction that may be placed in such easement that would constitute interference with the use of such easement or with the use, maintenance, operation or installation of such utility. Notwithstanding the foregoing, however, Declarant covenants that at any such time as the utilities referred to in this Section shall have been installed or otherwise located on the Properties, Declarant will by written instrument recorded in the Deed Records of Kerr County, Texas, define the exact location of each such utility easement and will release the remainder of the Properties from the provisions of this Section pertaining to utility easements. Any such instrument when executed and filed of record by Declarant shall be effective to limit the location of the easement provided for therein in accordance with its terms and conditions, notwithstanding that the utility company affected may not have executed such instrument.

Section 2. Ingress and Egress by the Association. Full rights of ingress and egress shall be had by the Association at all times over and upon each Lot for the maintenance and repair of each Lot in accordance with the provisions hereof, and for the carrying out by the Association of its functions, duties and obligations hereunder; provided, that any such entry by the Association upon any Lot shall be made with as minimum inconvenience to the Owner as practical.

Section 3. Ingress and Egress by Police, Etc. The police, fire department, emergency units, ambulance companies, utility companies and any governmental agency or department having jurisdiction, shall have the right of ingress and egress at all times over and upon the Common Properties, including without limitation streets and sidewalks, for the performance of their respective duties and responsibilities with respect to the Properties and in order to service the Properties.

Section 4. Surface Drainage Easements. Surface drainage easements as shown in the plat are intended for either periodic or occasional use as conductors for the flow of surface water runoff to a suitable outlet, and the land surface shall be constructed and maintained so as to achieve this intention. Such easements shall be maintained in an unobstructed condition and the Association or the proper public authority having jurisdiction over storm drainage shall have the right to repair and maintain such easements, or to require such repair and maintenance, as shall be reasonably necessary to keep the conductors unobstructed.

Section 5. Underground Electric Distribution System. An underground electric distribution system has been installed to service the Lots. The Owner of each Lot shall, at his own cost furnish, install, own and maintain (all in accordance with the requirements of local governing authorities and the National Electrical Code) the underground service cable and appurtenances from the point of the electric company's metering on customer's structure to the point of attachment at such company's installed transformers or energized secondary junction boxes, such point of attachment to be made available by the electric company at a point designated by such company at the property line of each Lot. The electric company furnishing service shall make the necessary connections at said point of attachment and at the meter. In addition, the Owner of each Lot shall, at his own cost, furnish, install, own and maintain a meter loop (in accordance with the ten current standards and specifications of the electric company furnishing service) for the location and installation of the meter of such electric company for the residence constructed on such

Owner's Lot. For so long as underground service is maintained, the electric service to each Lot therein shall be underground, uniform in character and exclusively of the type known as single phase, 120/240, three wire, 60 cycle, alternating current.

The electric company has installed the underground electric distribution system at no cost to Declarant (except for certain conduits, where applicable) upon Declarant's representation that the property subject to this Declaration is being developed for single-family dwellings of the usual and customary type, constructed upon the premises, designated to be permanently located upon the Lot where originally constructed and built for sale to bona fide purchasers. Therefore, should the plans of Lot Owners be changed so that dwellings of a different type will be permitted in such Subdivision, the company shall not be obligated to provide electric service to a Lot where a dwelling of a different type is located unless (a) Declarant has paid to the company an amount representing the excess in cost, for the entire property subject to this Declaration of the underground distribution system over the cost of equivalent overhead facilities to serve such distribution system over the cost of equivalent overhead facilities to serve such Subdivision, or (b) the Owner of such Lot, or the applicant for service, shall pay to the company the sum of (1) \$1.00 per front lot foot, it having been agreed that such amount reasonably represents the excess in cost of the underground distribution system to serve such Lot over the cost of equivalent overhead facilities to serve such Lot, plus (2) the cost of rearranging and adding any electric facilities serving such Lot, which rearrangement and/or addition is determined by the company to be necessary.

ARTICLE X

GENERAL PROVISIONS

Section 1. Duration. The Covenants, Conditions and Restrictions of this Declaration shall run with and bind the land subject to this Declaration, and shall inure to the benefit of and be enforceable by the Declarant, the Association and/or the Owner of any land subject to this Declaration, their respective legal representatives, heirs, successors and assigns for a term of thirty-five (35) years from the date that this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years each unless an instrument signed by two-thirds (2/3rds) of the Members has been recorded in Kerr County, Texas, agreeing to abolish said Covenants, Conditions and Restrictions in whole or in part; provided, however, that no such agreements to abolish shall be effective unless made and recorded ninety (90) days in advance of the effective date of such change.

Section 2. Amendments. Except as provided in this Declaration, the Covenants, Conditions and Restrictions of this Declaration may be amended or changed in whole or in part, upon the affirmative approval of two-thirds (2/3rds) of the voting Members entitled to vote at a meeting at which a quorum is present, and which is duly called and held for such purpose, and in each case such amendment shall be evidenced by a document in writing signed by an officer of the Association certifying to the approval required by the provisions of this Section; provided however, that the Declarant shall have the right to amend this Declaration at any time, and from time to time, without the consent of any other Member, to the extent that such amendments are required by the Federal Housing Administration, the Veterans Administration, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, or any other governmental or quasi-governmental authority involved in financing the improvement, purchase or sale of any of the Lots or the improvements to be constructed thereon. All amendments, if any, shall be recorded in the office of the County Clerk of Kerr County, Texas.

Section 3. Enforcement. Enforcement of these covenants and restrictions shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate them, or to recover damages or to enforce any lien created by these covenants, and failure by the Association or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 4. Severability. Invalidity of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provision which shall remain in full force and effect.

Section 5. Headings. The headings contained in this Declaration are for reference purposes only and shall not in any way affect the meaning or interpretation of this Declaration.

Section 6. Notices. Any notices required to be given to any Member or Owner or otherwise under the provisions of this Declaration shall be deemed to have been properly delivered when deposited in the United States Mails, postage prepaid, addressed to the last known address of the person to whom it is addressed, as appears on the records of the Association at the time of such mailing.

Section 7. Disputes. Matters of dispute or disagreement between Owners with respect to interpretation or application of the provisions of this Declaration or the Bylaws, shall be determined by the Board of Directors, which determination shall be final and binding upon all Owners.

Section 8. Resubdivision. No Lot may be resubdivided or replatted without the prior written consent of Declarant; each Owner (as defined in the Declaration) hereby delegating to Declarant the right and authority to approve or disapprove the same and each Owner hereby expressly waiving any right to approve the same and any notice of the same. Subject to the approval of any and all appropriate governmental agencies having jurisdiction thereof, Declarant hereby reserves the right at any time while it is the owner thereof to resubdivide and replat any Lot without the consent of any other Owner and each such Owner expressly waives any notice of, and any right to consent to, any such resubdivision, replat, modification or waiver, as herein set forth without any notice to, or consent of, any such Owner. Further, each Owner expressly waives any rights such Owner may have to notice of, consent to or approval of any such resubdivision or replat, under any applicable laws, ordinances, rules or regulations.

IN WITNESS WHEREOF, Declarant has caused this instrument to be executed in its name and on its behalf on this 13th day of JUNE, 1984.

DECLARANT:

NORTH FORK NUMBER ONE, a joint venture created under the Texas Uniform Partnership Act, acting by and through the undersigned representative of such joint venture, who, by execution hereby, certifies and warrants that the undersigned has been duly authorized and empowered to execute this Declaration on behalf of Declarant

By:

David H. Houston
DAVID H. HOUSTON

THE STATE OF TEXAS S

THE COUNTY OF KERR S

This instrument was acknowledged before me on the 13th day of JUNE, 1984, by DAVID H. HOUSTON, on behalf of NORTH FORK NUMBER ONE, a joint venture created under the Texas Uniform Partnership Act.

Thomas M. Myers
Notary Public, State of Texas
THOMAS M. MYERS
(Notary's Printed Name)
My Commission Expires: 1-9-85



13

4926
Declaration of Covenants, Conditions
and Restrictions
North Fork No. 1
to
the Public

FILED FOR RECORD
1:19 P.M.

JUN 13 1984

PATRICIA DYE
Clerk County Clerk, Kerr County, Texas
By Patricia Dye

Return to:
Wallace, Jackson & Auker
Attys. At Law
824 Jefferson
Kerrville, TX. 78028

Filed by: -
KERR COUNTY ABSTRACT CO., INC.

Filed for record June 13, 1984 at 1:19 oclock P.M.
Recorded June 18, 1984
PATRICIA DYE, Clerk
By May C. Hanson Deputy

01929

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**FIRST AMENDED
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
NORTH FORK NO. 1**

This FIRST AMENDED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (this "Declaration") made by NORTH FORK NO. 1 OWNERS ASSOCIATION, a Texas non-profit corporation formed August 13, 1996, ("Declarant");

Witnesseth:

Declarant was formed by the owners of the real property referred to in Article III of this declaration, and is the successor of the original Declarant (North Fork Number One, a joint venture partnership) and desires to ratify and amend the original Declaration of Covenants, Conditions and Restrictions for North Fork No. 1 dated June 13, 1984.

NOW, THEREFORE, Declarant declares that the real property referred to in Article III is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, conditions, restrictions, easements, charges and liens (sometimes referred to as "Covenants, Conditions and Restrictions") hereinafter set forth.

**ARTICLE I
ADOPTION**

North Fork No. 1 Owners Association hereby adopts and ratifies all of the Declaration of Covenants, Conditions and Restrictions for North Fork No. 1 dated June 13, 1984 and filed in the Kerr County Deed Records, Vol. 298 Page 150 ff. and as herein amended.

**ARTICLE II
DEFINITIONS**

The following words when used in this Declaration (unless the context shall prohibit) shall have the following meanings:

(a) "Association" shall mean and refer to NORTH FORK NO. 1 OWNERS ASSOCIATION, a non profit corporation created under the Texas Non-Profit Corporation Act.

(b) "Properties" shall mean and refer to all of the property subject to this Declaration pursuant to the provisions of Article III hereof.

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(c) "Common Properties" shall mean and refer to 6.3 acres, more or less, out of North Fork No. 1 Subdivision, Charles Eller Survey No. 634, being the same property more particularly described in Volume 5, Page 62, Plat Records, Kerr County, Texas, less the residential lots, together with any and all improvements that are now or may hereafter be constructed thereon, and all equipment and facilities thereon.

(d) "Lot" shall mean and refer to each of the lots, tracts or plots of land lying within the Existing Property.

(e) "Owner" shall mean and refer to every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenant of record to assessment by the Association, including contract sellers, or who becomes a record owner of a fee or undivided fee interest by the acquisition of such title to any such Lot from such a record owner. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation or any persons or entities who lease any Lot.

(f) "Member" shall mean and refer to each Owner as provided herein in Article IV.

(g) "Declarant" shall mean and refer to NORTH FORK NUMBER NO. 1 OWNERS ASSOCIATION, its successors and assigns.

(h) "Existing Property" shall mean and refer to the real property which is, and shall be, held, transferred, sold, conveyed and occupied subject to this Declaration pursuant to Article III.

ARTICLE III

PROPERTY SUBJECT TO THIS DECLARATION

The real property subject to this Declaration (hereinabove defined as the "Existing Property") is located in Kerr County, State of Texas, and is more particularly described as North Fork One in Volume 5, Page 62, Plat Records, Kerr County, Texas, less Lot No. 9 which has been removed from North Fork One by this Declaration and by Court Order.

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Membership. Every Owner of a Lot (including the transferee of such Owner who becomes an Owner by the acquisition of a fee or undivided fee interest in a Lot) shall upon the acquisition, by original purchase or transfer, of the fee or undivided fee interest in such Lot, automatically be a Member of the Association and entitled to all

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rights of the Members, as herein provided, including the rights with respect to the Common Properties, subject, however, to the terms and provisions hereof.

Section 2. Classes of Membership. The Association shall have one class of voting membership:

Voting: Each Member shall be entitled to one vote for each Lot in which they hold the interest required for membership. 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. All voting, notice and quorum requirements shall be as set forth in the Bylaws. Any vote or consent of Members required or permitted herein shall be the requisite percentage of members specified present and voting in person or by proxy at a meeting called for the purposes thereof.

ARTICLE V

PROPERTY RIGHTS IN THE COMMON PROPERTIES

Section 1. Member's Easements of Enjoyment. Subject to the provisions of Section 3 of this Article, every Member and every tenant of every Member who resides on a Lot, and each individual who resides with either of them or who is a guest of either of them, respectively, on such Lot shall have a right and easement of use and enjoyment in and to the Common Properties and such easement shall be appurtenant to and shall pass with the title to every Lot; PROVIDED, HOWEVER, such easement shall not give such person the right to make alterations, additions or improvements to the Common Properties.

Section 2. Title to the Common Properties. Fee simple title to the Common Properties has been conveyed to the Association, free and clear of all encumbrances and liens other than the lien of current taxes and assessments not in default and utility easements and mineral interests outstanding and of record in Kerr County, Texas.

Section 3. Extent of Members' Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

(a) The right of the Association to prescribe regulations governing the use, operation and maintenance of the Common Properties (including limiting the number of guests of Members);

(b) Subject to the vote of two-thirds (2/3rds) of the votes of the membership in accordance with its Articles of Incorporation, to borrow money for the purpose of improving the Common Properties and facilities and in aid thereof to mortgage the Common Properties;

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(c) The right of the Association, as provided in its Bylaws, to suspend membership rights for any period during which any assessment against a Lot remains unpaid, and for any period not to exceed sixty (60) days for an infraction of its rules and regulations; provided that the Association shall not deny the use of such of the Common Properties as is necessary for access to each Lot, including without limitation streets and sidewalks.

(d) Subject to the vote of two-thirds (2/3rds) of the votes of voting Members entitled to be voted and cast by the Members present or represented by proxy at a meeting at which a quorum is present and which is duly called and held for the following purpose, the right of the Association to dedicate or transfer all or any part of the Common Properties to any public agency, authority or utility for such purposes and upon such conditions as the Board of Directors of the Association may determine.

ARTICLE VI

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligations of Assessments.

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, shall be deemed to covenant and agree, to pay to the Association assessments or charges, such assessments to be fixed, established and collected from time to time as hereinafter provided. The assessments, together with such interest thereon and costs of collection thereof, shall be a charge on, and shall be a continuing lien upon, each Lot against which each such assessment is made, and shall also be the continuing personal obligation of the person who was the Owner of such property at the time when the assessment became due.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used (i) for the purpose of promoting the recreation, health, safety and welfare of the residents of the Properties; (ii) for paying the cost of labor, equipment (including the expense of leasing any equipment) and materials required for, and management and supervision of, the Common Properties; (iii) for carrying out the duties of the Board of Directors of the Association; and (iv) for carrying out the purposes of the Association as stated in its Articles of Incorporation.

Section 3. Basis and Amount of Annual Assessments. The Board of Directors shall not be required to fix assessments in each year, but the Board of Directors may fix the assessments at such amount as it shall determine. Commencing with the year beginning January 1, 1996, and each year thereafter, the amount of the maximum annual assessment for the year beginning January 1, 1996, for each Lot may not be increased more than an amount equal to ten percent (10%) of the annual assessment for the

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previous year without a vote of a majority of the voting Members and entitled to vote thereon.

Section 4. Special Assessments for Capital Improvements. The Board of Directors may in its discretion levy in any assessment year an assessment for the purpose of defraying, in whole or in part, the cost of any unexpected construction, reconstruction, repair or replacement of a capital improvement upon the Common Properties, including the necessary fixtures and personal property related thereto; PROVIDED, THAT any such assessment shall have the affirmative approval of two-thirds (2/3rds) of the voting Members entitled to vote at a meeting at which a quorum is present and which is duly called and held for such purpose.

Section 5. Date of Commencement of Assessments: Due Dates. The assessments provided for herein shall be paid and shall be fixed in the respective resolution authorizing such assessment.

Section 6. Duties with Respect to Assessments.

(a) If the Board of Directors decides to fix and set assessments, the Board of Directors of the Association shall so fix the amount of the assessment against each Lot at least by November 1st in the year prior to each annual calendar assessment period and shall, at that time, prepare a roster of the Lots and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner.

(b) Written notice of the assessment shall thereupon be delivered or mailed to every Owner subject thereto.

(c) The Board of Directors shall upon demand at any time furnish to any Owner liable for said assessment a certificate in writing signed by an officer or agent 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. A reasonable charge may be made by the Board for the issuance of such certificates.

Section 7. Effect of Nonpayment of Assessment: The Personal Obligation of the Owner; the Lien; Remedies of Association; Sale by Delinquent Owner.

(a) If any assessment or any part thereof is not paid on the date(s) when due, then the unpaid amount of such assessment shall become delinquent and shall, together with such interest thereon and cost of collection thereof as hereinafter provided, thereupon become a continuing lien on the Lot of the nonpaying Owner which shall bind such Lot in the hands of the owner, his heirs, legal representatives, successors and

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assigns. The obligation of an Owner to pay such assessments as are payable on or prior to the date on which his successors in title take possession of his Lot shall remain his personal obligation and shall not pass to his successors in title unless expressly assumed by them. The lien for unpaid assessments shall be unaffected by any sale or assignment of a Lot and shall continue in full force and effect, except as otherwise expressly provided in this Section. No Owner may waive or otherwise escape liability for the assessment provided herein by nonuse of the Common Properties or abandonment of his Lot.

(b) If any assessment or part thereof is not paid within thirty (30) days after the delinquency date, the unpaid amount of such assessment shall bear interest from the date of delinquency at the rate of ten percent (10%) per annum, and the Association may, at its election, bring an action at law against the Owner personally obligated to pay the same in order to enforce payment and/or to foreclose the lien against the property subject thereto and there shall be added to the amount of such assessment the costs of preparing and filing the complaint in such action and in the event a judgment is obtained such judgment shall include interest on the assessment as above provided and reasonable attorneys' fees to be fixed by the court, together with the costs of such action.

(c) No Owners shall, without the prior written consent of the Association (which consent need only be approved by the Board of Directors of the Association), sell, convey or in any way transfer any Lot, in whole or in part, when and if a certificate or notice of an unpaid assessment has been filed as to any such Lot, and such Owner may obtain from the Board of Directors of the Association, and upon request it shall furnish to such Owner's purchaser or transferee, a certificate [dated not more than ten (10) days prior to the date of transfer or conveyance] in writing signed by an officer or agent of the Association setting forth that all assessments payable by such owner have been paid to the date thereof that such Owner is not delinquent in the payment of such assessments as of the date thereof, and that such Owner is otherwise in good standing with the Association. Any sale, transfer or conveyance by any owner in violation of this subparagraph shall be void and of no force and effect. any transfer or conveyance by virtue of foreclosure, or in lieu thereof, with respect to first mortgages or deeds of trust constituting and creating a valid lien on a Lot are expressly excluded from the provisions and requirements of this subparagraph.

Section 8. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate and inferior to the lien or equivalent security interest of any mortgage or deed of trust now or hereafter placed upon a Lot subject to

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assessment, if the mortgage or deed of trust is placed upon the Lot at a time when no certificate or notice of default has been filed of any assessment for such Lot.

Section 9. 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 authority and devoted to public use.

(b) All Common Properties as defined in Article II hereof.

Section 10. Omission of Assessments. The omission of the Board of Directors, before the expiration of any year, to fix the assessments hereunder for that or the next year, shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of any Owner from the obligation to pay the assessments, or any installment thereof for that or any subsequent year, but the assessment fixed for the preceding year shall continue until a new assessment is filed.

ARTICLE VII
GENERAL POWERS AND DUTIES OF THE BOARD OF DIRECTORS
OF THE ASSOCIATION

Section 1. Powers and Duties. The Board shall have the rights and powers specified herein and in the Bylaws and Articles of Incorporation.

Section 2. Board Powers, Exclusive. The Board shall have the exclusive right to contract for all goods, services and insurance, payment for which is to be made from the maintenance fund, and the exclusive right and obligation to perform the functions of the Board, except as otherwise provided herein.

Section 3. Owner's Obligations to Repair. Each Owner shall, at his sole cost and expense, maintain and repair his Lot and the dwelling and other improvements situated thereon, keeping the same in good condition and repair. In the event that any Owner shall fail to maintain and repair his Lot and such dwelling and improvements as required hereunder, the Association, in addition to all other remedies available to it Hereunder or by law, and without waiving any of said alternative remedies, shall have the right, through its agents and employees, to enter upon said Lot and to repair, maintain and restore the Lot and the exterior of the dwelling and other improvements situated thereon; and each Owner (by acceptance of a deed for his Lot) hereby covenants and agrees to repay to the Association the cost thereof immediately upon demand, and the failure of any such Owner to pay the same shall carry with it the same consequences as the failure to pay any assessment hereunder when due.

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ARTICLE VIII
USE OF LOTS AND COMMON PROPERTIES - PROTECTIVE COVENANTS

The Properties (and each Lot situated therein) and the Common Properties shall be occupied and used as follows, and shall be subject to the following restrictions:

Section 1. Residential Purposes Only. Each Lot shall be used exclusively for single family residential purposes, and carports and parking spaces shall be used exclusively for the parking of licensed passenger automobiles (including cars, pickup trucks, vans, minivans, and SUV's). No more than one (1) single-family residential structure and garage or carport shall be constructed on each Lot; provided that if approved by the Architectural Control Committee, one (1) guest and/or caretaker structure may be constructed on each Lot. All garages shall face down river (toward the descending flow of the Guadalupe River). All planes, trailers, boats, campers, abandoned cars or trucks shall be parked or housed in garages, or by such other means or in such other location in order to conceal the same from view from the street.

Section 2. Obstructions, Etc. There shall be no obstruction of the Common Properties, nor shall anything be kept or stored in the Common Properties, nor shall anything be altered or constructed or planted in or removed from the Common Properties without the written consent of the Board.

Section 3. Restricted Actions by Owners. No Owner shall permit anything to be done or kept on his Lot or in the Common Properties which will result in the cancellation of or increase of any insurance carried by the Association, or which would be in violation of any law. No waste shall be committed in the Common Properties.

Section 4. Signs. No sign of any kind shall be displayed to the public view on or from any part of the Properties, without the prior consent of the Board, except "for sale" signs (of a size and composition approved by the Architectural Control Committee) temporarily used in the sale of Lots.

Section 5. Nuisances. Nothing shall (i) be done in any part of the Properties, nor shall (ii) any noxious or offensive activity be carried on, nor shall (iii) any outside lighting or loudspeakers or other sound-producing devices be used, which, in the judgment of the Board may be or become an unreasonable annoyance or nuisance to the other Owners.

Section 6. Attachments. No permanent attachments of any kind or character whatsoever (including, but not limited to, television and radio antennas and any other external antennas) shall be made to the roof or walls of any home, unless such attachments shall have first been submitted to and approved by the Architectural Control Committee hereinafter provided.

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Section 7. Damage to the Common Properties. Each Owner shall be liable to the Association for any damage to the Common Properties caused by the negligence or willful misconduct of the Owner or his family, guests or invitees.

Section 8. Rules of the Board. All Owners and occupants shall abide by any rules and regulations adopted by the Board. The Board shall have the power to enforce compliance with said rules and regulations by all appropriate legal and equitable remedies, and an Owner determined by judicial action to have violated said rules and regulations shall be liable to the Association for all damages and costs, including attorneys' fees.

Section 9. Animals. No animals, livestock or poultry shall be raised, bred or kept in any portion of the Property; except that dogs, cats or other household pets may be kept, but not for any commercial purposes, provided that they do not create a nuisance, and provided that they are not permitted in or along the water's edge of the Guadalupe River and are contained within each Lot by an enclosure on such Lot or by leash or otherwise.

Section 10. Waste. No Lot shall be used or maintained as a dumping ground for rubbish, trash or garbage. Trash, Garbage, debris, refuse and waste of any nature shall not be kept on any part of the Properties except in sanitary conditions. No outside toilets will be permitted, and no installation of any kind for disposal of sewage shall be allowed which would result in raw, treated or untreated sewage or septic tank drainage on or into the surface, alleys, ditches or water bodies. No septic tank or sewage disposal system may be installed without prior approval of the Architectural Control Committee and the proper governmental authorities. All state, county and municipal (if any) health and sanitation statutes, rules, ordinances and regulations must be complied with at all times. No building materials of any kind or character shall be placed or stored upon a Lot until the Owner is ready to commence improvements, and then such material shall be placed within the property lines of the Lot. No noxious or undesirable thing or use whatsoever shall be permitted on any Lot.

Section 11. Boats. Neither a motorboat, houseboat nor any "camper" vehicle, motor home or travel trailer (except small skiffs under 12 feet long and canoes) may be maintained, stored or kept on any parcel of property covered by these covenants for longer than two(2) weeks except in an enclosed garage thereon, or by such other means or in such other location as conceals the same from view from the street.

Section 12. Drainage and Maintenance. Each Owner shall not alter or change the drainage or seepage on, over and across, nor the grade of, his Lot by channeling, filling, grading, excavating or any other means or acts and shall not do, permit or cause to be done any act that results or might reasonably be expected to result in any adverse change or effect on such drainage or seepage, which would impact neighboring houses and/ or lots.

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Section 13. Set Back Restrictions. No building shall be located on any Lot nearer than fifty (50) feet to the rear line or the front line of a Lot or nearer than ten (10) feet to the side line of a Lot. No projection of any building shall be permitted to extend into or encroach upon the space between said building or set-back line and the Lot line, except that the steps and platform of the main door may extend over said line not to exceed five (5) feet. The habitable floor area, as herein defined, of all improvements shall be constructed and located at least on (1) foot above the 100-year flood plain.

Section 14. Fences, Walls, Hedges and Shrubs. All fences, walls, hedges and shrubs shall be approved as provided in ARTICLE IV, and no chain link fences shall be permitted. No screen planting over thirty (30) inches high nor any fence shall be permitted between the front Lot line and the building setback line.

Section 15. No Prefabricated Construction. All residences and other structures constructed or erected upon any Lot shall be new construction, and in no event shall any prefabricated, mobile home, modular home, or existing residences or garages be moved onto any Lot.

Section 16. Communication Equipment. No communication receiving or transmitting device or equipment shall be used on any Lot which interferes with the television reception on any other Lot without the prior written consent of the Architectural Control Committee, which consent may be withheld or, once given, revoked for any reason.

Section 17. Hunting. Hunting is prohibited on the Common Properties and all Lots unless such hunting is planned, conducted or permitted under the direction of the Board of Directors of the Association.

Section 18. Vegetable Gardens. No vegetable gardens shall be placed on any Lot, except behind enclosed areas situated on such Lot. Fences which enclose such areas must be approved by Architectural Committee.

Section 19. Maximum Building Coverage. The total habitable floor area (which shall mean living space which is heated, air-conditioned and enclosed) of the residence on each Lot (excluding garages or porches) shall have a minimum of 1,800 square feet.

Section 20. Temporary Structures. No temporary structure of any kind shall be erected or placed on any Lot. Any garage and/or servants quarters erected more than one hundred twenty (120) days prior to the completion of the main dwelling or residence shall be considered temporary structures. In no event shall any residential dwelling upon any Lot be occupied until it has been fully completed in accordance with the plans approved by the Architectural Control Committee. No trailer, basement, tent, shack or garage erected or placed on any Lot shall at any time be used as a residence temporarily or permanently, nor shall any structure of a temporary character be used as a residence.

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Section 21. Repair. Each Member shall, at his sole cost and expense, maintain and repair his Lot and the dwelling and other improvements situated thereon, keeping the same in good condition and repair. In the event that any Member shall fail to maintain and repair his Lot and such dwelling and improvements as required hereunder, the Association, in addition to all other remedies available to it hereunder or by law, and without waiving any of said alternative remedies, shall have the right, through its agents and employees, to enter upon said Lot and to repair, maintain and restore the Lot and the improvements situated thereon; and each Member (by acceptance of a deed for his Lot) hereby covenants and agrees to repay to the Association the cost thereof immediately upon demand, and the failure of any such Member to pay the same shall carry with it the same consequences as the failure to pay any assessment hereunder when due.

Section 22. Oil and Gas. 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.

Section 23. Construction of Buildings and Other Structures. All buildings and structures on each Lot shall be of new construction and architecturally approved as herein provided. All buildings and structures shall conform to the Kerr County Floodplain Management Program and the Flood Damage Prevention Order requirements and any other governmental construction codes which are in place and enforceable at the time of construction.

ARTICLE IX ARCHITECTURAL CONTROL

Anything contained in this Declaration to the contrary notwithstanding, no erection of buildings or structures or exterior additions or alterations to any building or structure situated upon the Properties or erection or installation of or changes or additions in fences, walls and other structures, nor construction of any improvements nor any changes in the exterior color of any building, structure, fence, wall or other improvement, shall be commenced, erected or maintained until approved by an Architectural Control Committee (hereinafter called the "Committee") appointed by the Board of Directors of the Association. The Committee may approve variances from the set-back restrictions provided in Section 13 of Article VIII hereof on any Lot where the topography of the Lot would dictate such variance. A copy of the approved plans and drawings shall be furnished by the Owner to the Committee and retained by the Committee. If approval is granted, construction shall be commenced within six (6) months thereafter, and if not, such approval shall be automatically withdrawn. The building of any approved structure must be completed within twelve (12) months of commencement of construction. In the event the Committee fails to approve or disapprove such design, location or variance request within thirty (30) days after said plans and specifications have been submitted to it, or in any event, if no suit to enjoin the addition, alteration or change has been

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commenced prior to the completion thereof, approval will not be required and this Article will be deemed to have been fully complied with. Neither the members of the Committee nor the Board of Directors shall be entitled to compensation for, or liable for damages, claims or causes of action arising out of, services performed pursuant to this Article.

ARTICLE X EASEMENTS

Section 1. Utility Easements. Easements for installation, maintenance, repair and removal of utilities (including, but not limited to, sewer, water, telephone, power, gas and street lighting) and drainage facilities and floodway easements over, under and across the Properties are reserved by Declarant for itself, its successors and assigns. Declarant shall have the right to grant easements for such purposes over, under and across the Properties. Full rights of ingress and egress shall be had by Declarant and its successors and assigns at all times over the Properties for the installation, operation, maintenance, repair or removal of any utility together with the right to remove any obstruction that may be placed in such easement that would constitute interference with the use of such easement or with the use, maintenance, operation or installation of such utility. Notwithstanding the foregoing, however, Declarant covenants that at any such time as the utilities referred to in this Section shall have been installed or otherwise located on the Properties, Declarant will by written instrument recorded in the Deed Records of Kerr County, Texas, define the exact location of each such utility easement and will release the remainder of the Properties from the provisions of this Section pertaining to utility easements. Any such instrument when executed and filed of record by Declarant shall be effective to limit the location of the easement provided for therein in accordance with its terms and conditions, notwithstanding that the utility company affected may not have executed such instrument.

Section 2. Ingress and Egress by the Association. Full rights of ingress and egress shall be had by the Association at all times over and upon each Lot for the maintenance and repair of each lot in accordance with the provisions hereof, and for the carrying out by the Association of its functions, duties and obligations hereunder; provided, that any such entry by the Association upon any Lot shall be made with as minimum inconvenience to the Owner as practical.

Section 3. Ingress and Egress by Police, Etc. The police, Kerr County Sheriff's Department, fire department, emergency units, ambulance companies, utility companies and any governmental agency or department having jurisdiction, shall have the right of ingress and egress at all times over and upon the Common Properties, including without limitation streets and sidewalks, for the performance of their respective duties and responsibilities with respect to the Properties and in order to service the Properties.

Section 4. Surface Drainage Easements. Surface drainage easements as shown in the plat are intended for either periodic or occasional use as conductors for the flow of

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surface water runoff to a suitable outlet, and the land surface shall be constructed and maintained so as to achieve this intention. Such easements shall be maintained in an unobstructed condition and the Association or the proper public authority having jurisdiction over storm drainage shall have the right to repair and maintain such easements, or to require such repair and maintenance, as shall be reasonably necessary to keep the conductors unobstructed.

Section 5. Underground Electric Distribution System. An underground electric distribution system has been installed to service the Lots. The Owner of each Lot shall, at his own cost furnish, install, own and maintain (all in accordance with the requirements of local governing authorities and the National Electrical Code) the underground service cable and appurtenances from the point of the electric company's metering on customer's structure to the point of attachment at such company's installed transformers or energized secondary junction boxes, such point of attachment to be made available by the electric company at a point designated by such company at the property line of each Lot. The electric company furnishing service shall make the necessary connections at said point of attachment and at the meter. In addition, the Owner of each Lot shall, at his own cost, furnish, install, own and maintain a meter loop (in accordance with the then current standards and specifications of the electric company furnishing service) for the location and installation of the meter of such electric company for the residence constructed on such Owner's Lot. For so long as underground service is maintained, the electric service to each Lot therein shall be underground, uniform in character and exclusively of the type known as single phase, 120/240, three wire, 60 cycle, alternating current.

The electric company has installed the underground electric distribution system at no cost to Declarant (except for certain conduits, where applicable upon Declarant's representation that the property subject to this Declaration is being developed for single-family dwellings of the usual and customary type, constructed upon the premises, designated to be permanently located upon the Lot where originally constructed and built for sale by bona fide purchasers. Therefore, should the plans of Lot Owners be changed so that dwellings of a different type will be permitted in such Subdivision, the company shall not be obligated to provide electric service to a Lot where a dwelling of a different type is located unless (a) Declarant has paid to the company an amount representing the excess in cost, for the entire property subject to this Declaration of the underground distribution system over the cost of equivalent overhead facilities to serve such Subdivision, or (b) the Owner of such Lot, or the applicant for service shall pay to the company the sum of (1) \$1.00 per front lot foot, it having been agreed that such amount reasonably represents the excess in cost of the underground distribution system to serve such Lot over the cost of equivalent overhead facilities to serve such Lot, plus (2) the cost of rearranging and adding any electric facilities serving such Lot, which rearrangement and/or addition is determined by the company to be necessary. Notwithstanding the above, the Association may perform the functions, duties and obligations of the electric company, from time to time, as it may deem necessary.

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ARTICLE XI
GENERAL PROVISIONS

Section 1. Duration. The Covenants, Conditions and Restrictions of this Declaration shall run with and bind the land subject to this Declaration, and shall inure to the benefit of and be enforceable by the Association and/or the Owner of any land subject to this Declaration, their respective legal representatives, heirs, successors and assigns for a term of thirty-five (35) years from the date that the original declaration was recorded (June 18, 1984), after which time said covenants shall be automatically extended for successive periods of ten (10) years each unless an instrument signed by two-thirds (2/3rds) of the Members has been recorded in Kerr County, Texas, agreeing to abolish said Covenants, Conditions and Restrictions in whole or in part; provided, however, that no such agreements to abolish shall be effective unless made and recorded ninety (90) days in advance of the effective date of such change.

Section 2. Amendments. Except as provided in this Declaration, the Covenants, Conditions and Restrictions of this Declaration may be amended or changed in whole or in part, upon the affirmative approval of two-thirds (2/3rds) of the voting Members entitled to vote at a meeting at which a quorum is present, and which is duly called and held for such purpose, and in each case such amendment shall be evidenced by a document in writing signed by an officer of the Association certifying to the approval required by the provisions of this Section; provided however, that the Declarant shall have the right to amend this Declaration at any time, and from time to time, without the consent of any other Member, to the extent that such amendments are required by the Federal Housing Administration, the Veterans Administration, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, or any other governmental or quasi-governmental authority involved in financing the improvement, purchase or sale of any of the Lots or the improvements to be constructed thereon. All amendments, if any, shall be recorded in the office of the County Clerk of Kerr County, Texas.

Section 3. Enforcement. Enforcement of these covenants and restrictions shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate them, or to recover damages or to enforce any lien created by these covenants, and failure by the Association or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 4. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provision which shall remain in full force and effect.

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Section 5. Headings. The headings contained in this Declaration are for reference purposes only and shall not in any way affect the meaning or interpretation of this Declaration.

Section 6. Notices. Any notices required to be given to any member or Owner or otherwise under the provisions of this Declaration shall be deemed to have been properly delivered when deposited in the United States Mails, Postage prepaid, addressed to the last known address of the person to whom it is addressed, as appears on the records of the Association at the time of such mailing.

Section 7. Disputes. Matters of dispute or disagreement between Owners with respect to interpretation or application of the provisions of this Declaration or the Bylaws, shall be determined by the Board of Directors, which determination shall be final and binding upon all Owners.

Section 8. Resubdivision. No Lot may be resubdivided or replatted without the prior written consent of Declarant.

IN WITNESS WHEREOF, Declarant has caused this instrument to be executed in its name and on its behalf on this 10th day of March, 2000.

NORTH FORK NO. 1 OWNERS ASSOCIATION,
a Texas non-profit corporation, acting by and
through the undersigned representative of such
corporation, who, by execution hereby, certifies and
warrants that the undersigned has been duly
authorized and empowered to execute this
Declaration on behalf of Declarant.

By: 

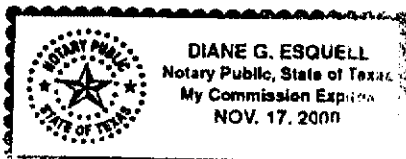
J. Conrad Pyle

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ACKNOWLEDGMENT**STATE OF TEXAS****COUNTY OF KERR**

This instrument was acknowledged before me on the 10th day of Mar,
2000, by **J. CONRAD PYLE**, President and Director of North Fork No. 1 Owners
Association, on behalf of said corporation.

Diane G. Esquell
Notary Public, State of Texas



Filed by & Return to:
J. Conrad Pyle
HC-1, Box 113-A
Hunt, TX 78024

FILED FOR RECORD
at 2:10 o'clock P.M.

MAR 13 2000

JANNETT PIEPER
Clerk County Court, Kerr County, Texas
Jannett Pieper Deputy

RECORD Real Property
VOL 1054 PG 760
RECORDING DATE

MAR 14 2000



Jannett Pieper
COUNTY CLERK, KERR COUNTY, TEXAS

Provisions herein which restrict the sale, rental or use of the described property because of color or race is invalid and unenforceable under Federal Law, THE STATE OF TEXAS }
COUNTY OF KERR }
I hereby certify that this instrument was FILED in the File Number Sequence on the date and at the time stamped herein by me and was duly RECORDED in the Official Public Records of Real Property of Kerr County, Texas on

MAR 14 2000



Jannett Pieper
COUNTY CLERK, KERR COUNTY, TEXAS