

Item: **RIVERHILL LAS CASITAS**

(Category: RESTRICTIONS)

Volume 179, Page 806, Volume 179, Page 822, Volume 180, Page 584 and Volume 204, Page 277, Deed Records of Kerr County, Texas; Volume 935, Page 341, Volume 1057, Page 40, Real Property Records of Kerr County, Texas, BUT OMITTING ANY COVENANT OR RESTRICTION BASED ON RACE, COLOR, RELIGION, SEX, HANDICAP, FAMILIAL STATUS, OR NATIONAL ORIGIN unless and only to the extent that said covenant (a) is exempt under Chapter 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons.

Item: **RIVERHILL LAS CASITAS**

(Category: Subdivisions)

- a. An undivided non-participating royalty interest, reserved by Grantor as described in instrument from Jim W. Weatherby, et ux to C. Frederick Rowsey, dated January 10, 1964, recorded in Volume 117, Page 248, Deed Records of Kerr County, Texas, reference to which instrument is here made for all purposes, together with all rights, expressed or implied in and to the property covered by this Policy arising out of or connected with said interests and conveyance. Title to said interest not checked subsequent to date of the aforesaid instrument.
- b. Right of way and Easement to Kerrville Telephone Company, dated February 25, 1977, recorded in Volume 9, Page 312, Easement Records of Kerr County, Texas.
- c. Easement to L.C.R.A., dated March 18, 1977, recorded in Volume 9, Page 319, Easement Records of Kerr County, Texas.
- d. Easement to Kerrville Municipal Utility District, dated March 18, 1977, recorded in Volume 9, Page 325, Easement Records of Kerr County, Texas.
- e. Subject to covenants, conditions, restrictions, easements, charges and liens as set forth in that certain Declaration made on May 27, 1975, by Dedicator, recorded in Volume 179, Page 822, Deed Records of Kerr County, Texas and corrected by Volume 180, Page 584, Deed Records of Kerr County, Texas, and being supplemented by Volume 204, Page 277, Deed Records of Kerr County, Texas and amended in Volume 1057, Page 40, Real Property Records of Kerr County, Texas..
- f. Resident's easement to enjoy common area as provided in Declaration of Covenants, Conditions and Restrictions, dated December 26, 1977, recorded in Volume 204, Page 277, Deed Records of Kerr County, Texas.
- g. Mineral reservation by Grantor, as described in instrument from Riverhill Club & Estates, Ltd., a Texas limited partnership, to Agents Acceptance Corporation of America, dated December 31, 1976, recorded in Volume 193, Page 348, Deed Records of Kerr County, Texas, having been corrected by Correction Deed recorded in Volume 205, Page 99, Deed Records of Kerr County, Texas, reference to which instrument is here made for all purposes, together with all rights, expressed or implied in and to the property covered by this policy arising out of or connected with said interests and conveyance. Title to said interest not checked subsequent to date of aforesaid instrument.
- h. Any visible and/or apparent roadways or easements over or across the subject property.

RESERVATION OF ARCHITECTURAL CONTROL

Riverhill Club & Estates, Ltd., a Texas limited partnership ("Declarant"), being the owner of the property which is more fully described on Exhibit "A" attached hereto and made a part hereof for all purposes, said property being located in Kerr County, Texas, and desiring to provide for the preservation of the values and amenities in and upon said real property and to subject said real property to the reservation of architectural control hereinafter expressed, which reservation is for the benefit of said property and each owner thereof, as well as for the benefit of Declarant as developer thereof.

HEREBY RESERVES the right to approve or disapprove as to harmony of external design and location in relation to surrounding structures and topography any and all subdivisions, resubdivisions, exterior addition to, changes in, construction, alteration or excavation of said property or of any structure or improvement located thereon, either permanent or temporary, including without limitation additions to or of, changes in, or alterations of grade, landscaping, roadways, walkways, signs, exterior lights, walls, fences, buildings, or other structures or improvements located thereon which any person or entity including without limitation governmental subdivisions or agencies, seeks to commence, erect, place or maintain upon the aforesaid property.

Any request for such approval shall be submitted to Declarant at P.O. Box 1575, Kerrville, Texas 78028, or at such other address as may from time to time be designated of record in the office of the Recorder of Deeds for Kerr County, Texas, with a copy to William B. Sechrest, Suite 2680, 2001 Bryan Tower, Dallas, Texas 75201, or such other legal representatives as may from time to time be designated of record in the office of the aforesaid Recorder of Deeds, in writing and shall be accompanied by plans and specifications showing the nature, kind, shape, height, materials, color, location and other material attributes of the structure, improvement, addition, change, alteration or excavation. If Declarant fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required. Declarant shall have no duty to exercise the power of approval or disapproval hereby reserved. Non-exercise of the power in one or more instances shall not be deemed to constitute a waiver of the right to exercise the power in other or different instances. Likewise, approval of any one set of plans and specifications shall not be deemed to constitute approval of any other or different plans and specifications.

The power hereby reserved may be delegated by Declarant, in its discretion from time to time, to a committee appointed, empowered and constituted by it, whose members shall serve and may be replaced at the pleasure of Declarant.

The power hereby reserved may be assigned together with, or to any person or entity owning, an interest in any portion of the aforesaid property insofar as it pertains to all or any portion of the aforesaid property. Any such

assignment must be expressed, in writing and recorded in the Office of the aforesaid Recorder of Deeds. No such assignment shall be deemed to arise by implication.

All conveyances of the aforesaid property or any portion thereof, subsequent to the date hereof, whether by Declarant or by the successors or assigns of Declarant, shall be and remain subject to this reservation until the 31st day of December, 1994, unless said reservation is specifically released by Declarant or its successors or by the assignee of the power or of a part thereof to approve or disapprove hereby reserved. Any such release may be granted at any time as to all or any part of the aforesaid property and, notwithstanding any one or more of such releases, the power hereby reserved shall remain in full force and effect as to the balance of the aforesaid property. No such release shall be effective unless in writing and recorded in the office of the aforesaid Recorder of Deeds.

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

DATED this 27th day of MAY, 1975.

RIVERHILL CLUB & ESTATES, LTD.

Filed 27th Day of May, A.D. 1975 at
 EMMIE M. MUECKER 2:00 P.M.
 Clerk County Court, Kerr County, Texas
 By EMMA M. MUECKER Deputy

By: Tierra Linda Ranch Corporation,
 General Partner

By: Selzer R. Pickett, III, President

STATE OF TEXAS §
 §
 COUNTY OF KERR §

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

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



Pat Linley
 NOTARY PUBLIC IN AND FOR
 KERR COUNTY, TEXAS

TRACT 1

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

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

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

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

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

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

THENCE along the NW line of 17 Fairway, N.32°11'E. 514.4 feet, N.39°36'E. 212.5 feet, N.14°06'W. 201.3 feet, N.31°36'E. 56.8 feet, N.50°46'E. 118.7 feet and N.29°01'E. 55.2 feet to an iron stake a SW corner of Block One of Riverhill Townhouse Tracts No. One.

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

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

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

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

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

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

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

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

TRACT 2

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

All that certain tract or parcel of land lying and being situated in the County of Kerr, State of Texas, comprising 1.48 acres of land out of Original Survey No. 147, Nathaniel Holt, Abstract No. 178, this tract being the area between Texas Highway No. 16 and No. 16 Fairway of Riverhill Golf Course, and subject tract being more particularly described by metes and bounds, as follows, to wit:

BEGINNING at an iron stake SW of No. 16 Tee, and whose Texas Coordinate System South Central Zone are N or y = 793,920.978 feet and E or x = 1.955,436.317 feet;

THENCE with the West line of No. 16 Fairway of Riverhill Golf Course, N.23°32'W. 56.1 feet, N.4°06'W. 107.3 feet, N.1°04'W. 99.1 feet, N.17°42'W. 164.0 feet, and N.22°55'W. 135.8 feet to an iron stake West of No. 16 Green, whose coordinates are N = 794,459.838 feet and E = 1.955,301.660 feet;

THENCE S.45°03'18"W. 111.44 feet to the East line of Texas Highway No. 16;

THENCE with the East line of Texas Highway No. 16, S.10°56'E. 500.75 feet to the SW corner of this tract;

THENCE N.75°07'32"E. 122.89 feet to the place of beginning;

This tract will later be subject to newly widened right of way of Texas Highway No. 16.

All that certain tract or parcel of land lying and being situated in the County of Kerr, State of Texas, comprising 14.84 acres of land out of Original Survey No. 147, Nathaniel Holt, Abstract No. 178. This tract being the area between No. 3 and No. 2 Fairways, of Riverhill Golf Course and Texas Highway No. 173, and subject tract being more particularly described by metes and bounds, as follows, to wit:

BEGINNING at an iron stake West of No. 3 Tee, and whose Texas Coordinate System South Central Zone are N or y = 794,937.845 feet, and E or x = 1,959,122.361 feet;

THENCE around the North and East side of No. 3 Fairway N. 54°18'E. 76.8 feet, S. 48°09'E. 790.4 feet, S. 11°20'E. 90.3 feet, S. 10°06'W. 93.2 feet, and S. 2°39'04" W. 240 feet to Camp Meeting Creek;

THENCE down said creek S.66°32'W. 257.9 feet, to its intersection with the West right-of-way line of said Texas Highway No. 173;

THENCE with fence the West to SW line of said Texas Highway No. 173 N. 8°39'19" E. 462.55 feet, N. 5°30'E. 54.12 feet, N.3°39'W. 91.86 feet, N. 11°06'W. 90.8 feet, N. 20°04' W. 97.3 feet, N. 28°51'W. 102.8 feet, N. 37°57' W. 107.4 feet, N. 41°32'W. 439.6 feet, and N.45°12'W. 486.2 feet to a fence corner post, whose coordinates are N=795,062.325 feet and E = 1,959,266.385 feet;

THENCE S. 28°27'04"W. 521.05 feet to an iron stake East of No. 2 Green, whose coordinates are N = 795,104.203 feet and E = 1,959,018.072 feet;

THENCE with the East line of said No. 2 Green S.55°41'E. 49.2 feet and S. 19°28' E. 45.7 feet to an iron stake;

THENCE S. 26°49'E. 106.80 feet to the place of beginning.

All that certain tract or parcel of land lying and being situated in the County of Kerr, State of Texas, comprising 10.01 acres of land out of Original Survey No. 147, Nathaniel Holt, Abstract No. 178, this tract being the area between No. 3 and No. 4 Fairways of Riverhill Golf Course, Texas Highway No. 173 and including part of Tamanaco, and subject tract being more particularly described by metes and bounds, as follows, to wit:

BEGINNING at an iron stake East of No. 4 tee, and whose Texas Coordinate System South Central Zone are N or y = 793,356.693 feet, and E or x = 1,959,374.873 feet;

THENCE around the South side of No. 4 tee, S.57°29'E. 57.9 feet to an iron stake;

THENCE S.36°02'W. 124.8 feet to an iron stake the East corner of Block F of Tamanaco Estates plat dated June 26, 1967 and recorded in Volume 3 at Page 21 of the Plat Records of Kerr County, Texas, in the NW line of street, Kerrville Hills Boulevard;

THENCE S. 45°11'20"E. 580.4 feet to the SE property line, the SE line of that 26.9 acre tract which was conveyed from John E. Warriner and wife to L.R. Turner Enterprises, Inc. by deed dated May 29, 1968 and recorded in Volume 133 at Page 640 of the Deed Records of Kerr County, Texas;

THENCE with said fence property line N.44°48'40"E. 481.75 feet, to a fence corner post and iron stake in the Southwest line of 120 foot wide right of way of Texas Highway No. 173;

THENCE with the SW line of said Texas Highway No. 173, along the arc of a circular curve to the right, having a central angle of 25°55' a radius of 1492.69 feet, for a distance of 670.1 feet to a fence corner post;

THENCE continuing with said right of way line N.9°24'E. 56.8 feet to the beginning of 80 foot wide right of way;

THENCE S.80°36'E. 20.0 feet to corner in West line of 80 foot wide right of way of said Texas Highway No. 173;

THENCE with the West line of said 80 foot wide right of way, N.8°39'19"E. 60 feet to its intersection with Camp Meeting Creek;

THENCE up said creek, N.66°32'W. 257.9 feet, to its intersection with the West line of said No. 3 Fairway;

THENCE around the East to South line of said No. 3 Fairway S.2°39'04"W. 484.23 feet, S.51°32'W. 60.1 feet and N.7°43'W. 182.5 feet to an iron stake, whose coordinates are N=793,540.035 feet and E=1,959,493.862 feet.

THENCE S.32°59'W. 218.47 feet to the place of beginning.

RECORDED'S MEMO: LISTING OF
ENTIRE TRACT AS PLATTED
UNSATISFACTORY
IN THIS DOCUMENT WITH RECORD

All that certain tract or parcel of land lying and being situated in the County of Kerr, State of Texas, comprising 13.25 acres of land out of Original Survey No. 147, Nathaniel Holt, Abstract No. 178. This tract being the area between No. 13 Fairway and South bank of lake of Camp Meeting Creek, of Riverhill Golf Course, and subject tract being more particularly described by metes and bounds, as follows, to wit:

BEGINNING at an iron stake South of No. 12 Green, and whose Texas Coordinate System South Central Zone are N or y = 793,910.180 feet, and E or x = 1,955,581.617 feet;

THENCE along No. 12 Fairway, N. 59°11' E. 147.5 feet, and N. 19°39' E. 174.6 feet to an iron stake on the South bank of lake of Camp Meeting Creek;

THENCE with the South bank of said lake, S. 84°12' E. 130.2 feet, N. 71°47' E. 144.4 feet, N. 49°46' E. 160.5 feet, N. 5°43' E. 131.9 feet, N. 38°55' E. 125.6 feet, N. 68°19' E. 116 feet, N. 65°45' E. 104.0 feet, N. 77°08' E. 100.3 feet, N. 70°44' E. 101.8 feet, N. 76°41' E. 100.4 feet, N. 80°14' E. 100.0 feet, S. 83°43' E. 103.4 feet, S. 57°39' E. 116.1 feet, S. 53°51' E. 269.6 feet, and S. 16°46' W. 184.8 feet to the North line of No. 13 Fairway, coordinates N. = 794,286.962, E = 1,957,205.260;

THENCE with the North line of No. 13 Fairway, S. 87°48'40" W. 439.39 feet, S. 61°21' W. 371.0 feet, S. 67°10' W. 406.9 feet, S. 77°23' W. 312.6 feet, and S. 84°47' W. 152.4 feet to an iron stake North of No. 15 Green, coordinates N = 793,852.266, E = 1,950,609.779;

THENCE N. 25°56' W. 64.4 feet to the place of beginning.

All that certain tract or parcel of land lying and being situated in the County of Kerr, State of Texas, comprising 35.87 acres of land, being 1.70 acres out of Original Survey No. 147, Nathaniel Holt, Abstract No. 178, and 34.17 acres out of Original Survey No. 146, Wm. C. Francis, Abstract No. 137, this tract being the area between Texas Highway No. 16 and No. 18 Fairway of Riverhill Golf Course, and subject tract being more particularly described by metes and bounds, as follows, to wit:

BEGINNING at a fence corner post, the East corner of that tract called 28 acres which was conveyed from Wm. Bryant Saner Sr. to L. D. Brinkman by deed dated October-27, 1971, and recorded, in Volume 52, at Page 481, of the deed records of Kerr County, Texas, and whose Texas Coordinate System South Central Zone are N or y = 796,065.558 feet, and E or x = 1,956,464.303 feet;

THENCE with property fence, N. 45°08'44" W. 755.38 feet to a fence corner post and iron stake, the West corner said W. B. Saner 28 acre tract;

THENCE with property fence, S. 83°20'W. 1149.72 feet to a fence corner post and iron stake, the West corner of said W. B. Saner 28 acre tract, in the NE line of 100 foot wide right-of-way of Texas Highway No. 16;

THENCE with the NE line of 100 foot right-of-way of Texas Highway No. 16, S. 12°11'E. 1053.14 feet to an iron stake set 50 feet from and normal to center line of said Highway;

THENCE with old right-of-way line and old fence, S. 18°58' E. 92.0 feet S. 13°30'21" E. 277.69 feet to the South corner of that tract called 5.67 acres which was conveyed from Gerald D. James to L. D. Brinkman, by deed dated April 12, 1972, and recorded in Volume 154 at Page 806 of the Deed Records of Kerr County, Texas, and whose Texas Coordinates are N or y = 795,078.412 feet and E or x = 1,955,104.779 feet;

THENCE with property fence along SE line of Gerald D. James 5.67 acre tract, N. 54°14' E. 412.83 feet and N. 45°42' 30" E. 393.72 feet to a fence corner post and iron stake at its East corner and the SW line of foresaid W. B. Saner 28 acre tract;

THENCE with property fence along the SW line of said W. B. Saner 28 acre tract, S. 45°22' E. 193.25 feet to a fence corner post and iron stake, the South corner of said W. B. Saner 28 acre tract, in the NW line of Original Survey 147, Nathaniel Holt, and whose Texas Coordinates are N = 795,458.873 feet and E = 1,955,859.093 feet;

THENCE S. 58°14'06" E. 165.87 feet to an iron stake North of No. 17 green; and whose Texas coordinates are N = 795,171.553 feet and E = 1,956,000.117 feet;

THENCE with the North line of said No. 17 green N. 29°01' E. 56.2 feet to an iron stake;

THENCE N. 4°16'12" E. 230.51 feet to an iron stake SW of No. 18 tee;

THENCE around No. 18 Fairway N. 4°04' W. 89.4 feet, N. 82°41' E. 262.7 feet and N. 73°33' E. 250.4 feet to an iron stake;

THENCE N. 18°13'40" W. 234.08 feet to the place of beginning.

This tract will later be subject to newly widened right-of-way of Texas Highway No. 16.

All that certain tract or parcel of land lying and being situated in the County of Kerr, State of Texas, comprising 12.59 acres of land out of Original Survey No. 147, Nathaniel Holt, Abstract No. 178, this tract being the area between Texas Highway No. 16 and No. 15 Fairway of Riverhill Golf Course, and subject tract being more particularly described by metes and bounds, as follows, to wit:

BEGINNING at an iron stake, the most Westerly N.W. corner of Tamanaco Estates, plat dated June 26, 1967 and recorded in Volume 3 at Page 21 of the Plat Records of Kerr County, Texas, and whose Texas Coordinate System South Central Zone are N or y = 792,659.227 feet and E or x = 1,955,427.521 feet;

THENCE with the North line of said Tamanaco Estates, N.86°55'E. 356.74 feet, N. 82°44'E. 50.1 feet and N. 72°50'E. 209.15 feet to an iron stake, the NE corner of Lot No. 1, Block D of said Tamanaco Estates;

THENCE with the West line of No. 15 Fairway of Riverhill Golf Course, N.72°50'E. 48.7 feet, N.18°00'18"W. 664.77 feet, N.48°40'W. 370.7 feet, N.20°22'W. 125.7 feet, N.3°00'E. 63.4 feet, and N. 58°31'E. 63.6 feet to an iron stake North of No. 15 Green, coordinates N = 793,852.266 feet and E = 1,955,609.779 feet;

THENCE N. 25°56'W. 64.4 feet to an iron stake South of No. 12 Green, coordinates are N. = 793,910.180 feet and E = 1,955,581.617 feet;

THENCE with the South line of No. 16 Tee, N.85°45'W. 145.7 feet to an iron stake;

THENCE S.75°07'30"W. 122.89 feet, to the East line of Texas Highway No. 16;

THENCE with the East line of Texas Highway No. 16, S.10°56'E. 310.95 feet to the point of Curvature of a circular curve to the right;

THENCE with the arc of said circular curve to the right, whose angle is 9°47', having a radius of 2331.83 feet for a distance of 398.1 feet to the end of said curve;

THENCE with the East line of said Texas Highway No. 16, S.1°09'E. 529.6 feet to the place of beginning.

This tract will later be subject to newly widened right-of-way of Texas Highway No. 16.

All that certain tract or parcel of land lying and being situated in the County of Kerr, State of Texas, comprising 19.06 acres of land out of Original Survey No. 147, Nathaniel Holt, Abstract No. 178. This tract being the area between No. 4 and No. 6 Fairways of Riverhill Golf Course, Camp Meeting Creek and Block I. of Tamanaco Estates, and subject tract being more particularly described by metes and bounds, as follows, to wit:

BEGINNING at an iron stake the NE corner of Block I. of said Tamanaco Estates, Plat dated June 26, 1967 and recorded in Volume 3 at Page 21 of the Plat Records of Kerr County, Texas and in the NW line of Kerrville Hills Drive, and whose Texas Coordinate System Central Zone are N or y = 793,224.646 feet, and E or x = 1,959,252.636 feet;

THENCE with the North line of said Block I. N. 66°39' W. 1010.0 feet, N. 34°25' W. 145.0 feet, N. 74°22' W. 182.35 feet and S. 44°07' W. 725.0 feet to an iron stake a Westerly corner of said Block I, the East Line of No. 6 Fairway, having coordinates of N = 793,277.840 feet and E = 1,957,563.478 feet;

THENCE along the East line of No. 6 Fairway, N. 4°07' E. 655.64 feet, and N. 41°11' E. 160.0 feet to the center of Camp Meeting Creek;

THENCE down the center of said Camp Meeting Creek, S. 89°43' E. 321.7 feet, N. 63°08' E. 439.9 feet and N. 33°15' E. 245.8 feet to an iron stake West of No. 4 Green;

THENCE with the West line of No. 4 Fairway, S. 18°17' E. 436.8 feet, S. 38°58' E. 173.6 feet, S. 48°50' E. 181.1 feet and S. 39°31' E. 597.0 feet to an iron stake behind No. 4 Tee, whose coordinates are N = 793,325.569 feet and E = 1,959,326.050 feet;

THENCE S. 36°02' W. 124.8 feet to the place of beginning.

All that certain tract or parcel of land lying and being situated in the County of Kerr, State of Texas, comprising 13.62 acres of land out of Original Survey No. 147, Nathaniel Holt, Abstract No. 178. This tract being the area between No. 1 and No. 2 Fairways, Camp Meeting Creek, and No. 8 and No. 9 Fairways of Riverhill Golf Course, and subject tract being more particularly described by metes and bounds, as follows, to wit:

BEGINNING at an iron stake West of No. 2 tee, and whose Texas Coordinate System South Central Zone are N or y = -795,209.896 feet, and E or x = 1,958,351.542 feet;

THENCE with SW line of No. 2 Fairway, S. 58°42' E. 394.8 feet, S. 34°58' E. 82.2 feet to the center of aforesaid Camp Meeting Creek;

THENCE up the center of said Camp Meeting Creek, S. 40°36' W. 244.7 feet to North line of No. 5 Fairway;

THENCE with the North line of No. 5 Fairway, S. 67°55' W. 197.1 feet, S. 60°32' W. 263.4 feet, S. 73°39' W. 327.7 feet, N. 24°35' W. 172.7 feet, N. 18°24' W. 146.5 feet, N. 56°22' W. 53.4 feet, and N. 62°17' W. 103.4 feet to an iron stake East of No. 9 Fairway, coordinates N = 794,829.439, E = 1,957,596.246;

THENCE with the East line of No. 9 Fairway, N. 7°20' W. 252.3 feet, and N. 2°37' W. 245.8 feet to an iron stake SW of No. 1 Fairway;

THENCE around the SW line to South line of No. 1 Fairway, S. 60°29' E. 177.6 feet, S. 66°46' E. 279.1 feet, S. 73°29' E. 64.8 feet, and N. 76°32' E. 72.6 feet, N. 54°32' E. 57.9 feet, N. 44°25' E. 83.8 feet and N. 10°31' E. 65.2 feet to an iron stake;

THENCE S. 61°44' 50" E. 155.83 feet to the place of beginning.

All that certain tract or parcel of land lying and being situated in the County of Kerr, State of Texas, comprising 11.16 acres of land out of Original Survey No. 147, Nathaniel Holt, Abstract No. 178, this tract being the area between No. 2 and No. 4 Fairways, and No. 3 Fairway of Riverhill Golf Course, and subject tract being more particularly described by metes and bounds, as follows, to wit:

BEGINNING at an iron stake East of No. 4 Tee, and whose Texas Coordinate System South Central Zone are N or y = 793,356.693 feet, and E or x = 1,959,374.873 feet;

THENCE with the East line of No. 4 Fairway, N 20°32'W. 502.0 feet, N. 31°44'W. 459.0 feet, N. 6°03'W. 404.1 feet and N. 15°36'W. 102.1 feet to an iron stake South of No. 2 Green;

THENCE around No. 2 Green, N. 22°07'E. 81.6 feet. N. 43°4' E. 102.8 feet, and N. 27°24'E. 186.2 feet to an iron stake East of No. 2 Green, whose coordinates are N = 795,033.378 feet and E = 1,959,073.937 feet;

THENCE S. 26°49'E. 106.80 feet, to an iron stake West of No. 3 Tee, whose coordinates are N = 794,937.845 feet and E = 1,959,122.361 feet;

THENCE around the West side of No. 3 Fairway, S. 28°01'E. 151.7 feet, S. 7°16'E. 93.1 feet, S. 35°25'E. 114.5, S. 32°48'E. 395.7 feet, S. 1°16'W. 305.0 feet, S. 4°01'W. 348.4 feet and S. 22°18' E. 97.0 feet to an iron stake West of No. 3 Green, whose coordinates are N = 793,540.035 feet and E = 1,959,493.862;

THENCE S. 32°59'W. 218.57 feet to the place of beginning.

All that certain tract or parcel of land lying and being situated in the County of Kerr, State of Texas, comprising 2.3 acres of land out of Original Survey No. 147, Nathaniel Molt, Abstract No. 178, this tract being the area between Kerrville Hills Country Club Estates and No. 7 Fairway of Riverhill Golf Course, and subject tract being more particularly described by metes and bounds, as follows, to wit:

BEGINNING at an iron stake, the South corner of Lot 14, Block F, of Kerrville Hills Country Club Estates, plat dated March 31, 1971 and recorded in Volume 3, Page 70 of the Plat Records of Kerr County, Texas, and in the East right-of-way line of street Burning Hills Drive;

THENCE with the East line of said street with the arc of a circular curve to the right having a radius of 298.79 feet, for a distance of 47.12 feet to the end of curve;

THENCE continuing with said street, S.33°45'E. 150.18 feet to the point of curvature of a circular curve to the right;

THENCE with the arc of said circular curve to the right, having a radius of 628.30 feet, with a chord bearing and distance is S.29°12'E. 99.63 feet, for a distance of 99.79 feet to the end of curve;

THENCE continuing with said street S.24°00'E. 174.14 feet to an iron stake the beginning of a curve, and the South corner of this tract;

THENCE with the West line of No. 7 Fairway. N. 65°20'E. 17.1 feet and N.6°58'W. 676.6 feet to an iron stake whose Texas Coordinate System South Central Zone are N or y = 793,534.837 feet and E or x = 1,957,068.386;

THENCE along the South bank of ponds of Riverhill Golf Course, N.67°33'W. 101.9 feet, N.78°25'W. 39.4 feet, S.88°06'W. 40.4 feet, N.63°14'W. 72.1 feet, N.33°17'W 66.0 feet and N. 55°40'W. 49.49 feet to an iron stake in concrete lined ditch;

THENCE with concrete ditch, S.2°44'E. 95.72 feet to an "X" in concrete set to mark the North corner of said Lot 14, Block F;

THENCE with the East line of said Lot 14, S.61°33'E. 429.15 feet, S.18°49'E. 200.08 feet and S.22°57'W. 84.78 feet to the place of beginning.

All that certain tract or parcel of land lying and being situated in the County of Kerr, State of Texas, comprising 0.77 acres of land out of Original Survey No. 147, Nathaniel Holt, Abstract No. 178, this tract being the area between No. 7 Tee of Riverhill Golf Course and Block L of Tamanaco Estates, subject tract being more particularly described by metes and bounds, as follows, to wit:

BEGINNING at an iron stake, the NW corner of Lot 2, Block L of Tamanaco Estates, plat dated June 26, 1967 and recorded in Volume 3 at Page 21 of the Plat Records of Kerr County, Texas, in the East line of street, Burning Hills Drive;

THENCE with the North line of said Block L, N.64°16'E. 113.69 feet, to an iron stake, the NW corner of Lot 4, Block L, Tamanaco Estates;

THENCE N.7°04'E. 257.8 feet to an iron stake;

THENCE around the South side of No. 7 Tee, S.69°35'W. 114.0 feet and S. 80°38'W. 63.0 feet to an iron stake in the East line of said Burning Hills Drive;

THENCE with the East line of said Burning Hills Drive, S.10°41'E. 27.2 feet to an iron stake, the point of curvature of a circular curve to the right;

THENCE with arc of said circular curve to the right, having a radius of 1789.45 feet, whose long chord bearing and distance is S. 8°17'E. 149.07 feet for a distance of 149.91 feet to the end of said curve;

THENCE continuing with said street line, S.5°53'E. 80.56 feet to the place of beginning.

All that certain tract or parcel of land lying and being situated in the County of Kerr, State of Texas, comprising 1.14 acres of land out of Original Survey No. 147, Nathaniel Holt, Abstract No. 178, this tract being the area between No. 15 Tee of Riverhill Golf Course and Block B and F of Tamanaco Estates, and subject tract being more particularly by metes and bounds, as follows, to wit:

BEGINNING at an iron stake the SE corner of Lot 1, Block B of Tamanaco Estates, plat dated June 26, 1967 and recorded in Volume 3 at Page 21 of the Plat Records of Kerr County, Texas, in the North line of street, Singing Hills Boulevard;

THENCE with the North line of said Boulevard with the arc of a circular curve to the right having a radius of 257.07 feet, a long chord bearing and distance of S.64°10'E. 170.07 feet, for a distance of 173.34 feet to the end of said survey;

THENCE continuing with the North line of said Boulevard S.44°51'E. 47.16 feet to an iron stake, the West corner of Lot No. 1, Block F of Tamanaco Estates;

THENCE with the North line of Lot No. 1, Block F, N.54°19'E. 160.0 feet to an iron stake a North corner of Lot No. 1, Block F;

THENCE N. 9°24'36"E. 162.42 feet to an iron stake;

THENCE around the South side of No. 15 Tee, S. 67°05'W. 119.7 feet, S.76°40'W. 88.2 feet and N.44°39'36"W. 117.51 feet to an iron stake the most Easterly corner at Block B;

THENCE with the SE line of said Block B, S.21°52'W. 172.62 feet to the place of beginning.

EXHIBIT A - PAGE 14

Filed for record May 27, 1975 at 2:00 o'clock P.M.
Recorded May 29, 1975
EMMIE M. MUENKER, Clerk

By Melinda Abrams Deputy

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

751884

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

W I T N E S S E T H :

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

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

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

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

ARTICLE I

DEFINITIONS

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

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

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

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

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

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

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

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

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

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

J. "Property" shall mean:

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

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

ARTICLE II

COVENANTS BINDING ON PROPERTY AND OWNERS

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

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

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

ARTICLE III

USE RESTRICTIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE IV

IMPROPER MAINTENANCE BY OWNER

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

ARTICLE V

IMPOSITION OF LIEN; OWNER'S AGREEMENT

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

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

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

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

ARTICLE VI

RIGHTS AND POWERS

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

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

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

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

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

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

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

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

ARTICLE VII

ARCHITECTURAL CONTROL

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

ARTICLE VIII

PARTY WALLS

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

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

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

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

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

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

ARTICLE IX

INSURANCE

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

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

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

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

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

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

(a) Reconstruction or Repair by Declarant.

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

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

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

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

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

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

ARTICLE X

TERMS; AMENDMENTS; TERMINATIONS

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

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

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

proposal as to amendment or termination of this Declaration (and/or the Covenants therein) and the affirmative vote of the requisite percentage of Owners must be evidenced by minutes of the meeting duly certified by the Owners who called the meeting or Declarant. 1. any event, a copy of the minutes must be delivered to Declarant.

Section 4: Recording of Amendments or Termination.

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

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

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

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

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

RESERVATION OF RIGHT TO RESUBDIVIDE AND REPLAT LOTS

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

ARTICLE XII

SUBJECTING ADDITIONAL LANDS TO THE DECLARATION

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

- (a) describe the additional land to be included as a part of the Property;
- (b) state the number of new lots in such additional land which will be deemed "Lots" hereunder;
- (c) state that such land and any permanent improvements thereon are expressly subjected to all of the Covenants set forth in this Declaration; and
- (d) state that each Owner of a Lot therein, for and on behalf of his heirs, executors, administrators, trustees, personal representatives, successors and assigns, agrees to be personally liable for all Maintenance Cost imposed hereunder and shall be personally bound by all Covenants set forth in this Declaration.

ARTICLE XIII

MISCELLANEOUS

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

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

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

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

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

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

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

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

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

Section 9: Prior Recorded Instruments. This instrument and the provisions hereof are expressly subject to all prior recorded documents affecting the Property, including without limitation that certain Reservation of Architectural Control, recorded by Riverhill Club & Estates, Ltd., a Texas limited partnership, on the 27th day of May, 1974, in the office of the Recorder of Deeds, Kerr County, Texas, ~~Volume _____, commencing at page _____.~~ under Clerk's File # 751883.

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

RIVERHILL CLUB & ESTATES, LTD.

By: Tiorra Linda Ranch Corporation,
General Partner

By: [Signature]
Gerrard R. Pickett, III,
President

STATE OF TEXAS §
COUNTY OF Kerr §

VOL. 179 PAGE 337

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

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



[Signature]
NOTARY PUBLIC IN AND FOR
KERR COUNTY, TEXAS

FILED FOR RECORD

at 2:00 o'clock P.:M.

MAY 27 1975

EMMIE M. MUENNER
Clerk County Court, Kerr County, Texas
By [Signature] Deputy

EXHIBIT A

TRACT 1

VOL. 127 PAGE 138

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

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

THENCE with fence along the NW line of Original Survey No. 147, Nathaniel Holt, S.44°59'W. 908.73 feet to an iron stake in the East line of newly widened right of way of Texas Highway No. 16;

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

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

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

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

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

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

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

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

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

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

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

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

TRACT 2

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

EXHIBIT A - PAGE 2

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

Recorded May 29, 1975

EMILIE M. MUEKKE, Clerk

By Theresa Adams Deputy

**CORRECTED DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS, RE: RIVERHILL CLUB AND ESTATES, LTD.**

STATE OF TEXAS

COUNTY OF KERR

) 752319

Before me, the undersigned authority, a Notary Public in and for Kerr County, Texas, on this day personally appeared Pat Tinley, known to me to be a credible person of lawful age and qualified in all respects to make this Affidavit, who being by me here and now duly sworn, upon oath said:

That on the 27th day of May, 1975, he caused a Declaration of Covenants, Conditions and Restrictions to be recorded in the office of the County Clerk of Kerr County, Texas, said Declaration of Covenants, Conditions and Restrictions having been made and executed on the 27th day of May, 1975, by Riverhill Club & Estates Ltd., the same having been filed under clerk's file number 751884 and recorded in Volume 179, Page 822, Deed Records of Kerr County, Texas; and


Prior to the recording of such Declaration of Covenant, Conditions and Restrictions, he filled in three blanks in Section 9 of Article XIII of such Declaration of Covenants, Conditions and Restrictions, such Section 9 appearing at Volume 179, Page 836, Deed Records of Kerr County, Texas, thereby causing that portion of Section 9 containing the blanks to read "on the 27th day of May, 1974";

That he incorrectly inserted the year 1974 in one of such blanks instead of the year 1975, and that portion of subsection 9 containing such blanks should have been filled in to read "on the 27th day of May, 1975", and this Affidavit is made for the purpose of ratifying and confirming the fact that the year stated should have been the year 1975.

Further Affiant saith not


Pat Tinley

Subscribed and sworn to before me, by the said Pat Tinley, on the 20th day of June, 1975, to certify which witness my hand and seal of office.


Notary Public, Kerr County, Texas
MAYNIE T. BROWN
NOTARY PUBLIC
KERR COUNTY, TEXAS



STATE OF TEXAS)
COUNTY OF KERR)

Before me, the undersigned authority, on this day personally appeared Pat Finley, 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 on this the 20th day of June, A.D. 1975.

Marion J. Snow
Notary Public in and for
Kerr County, Texas

MARION J. SNOW
NOTARY PUBLIC
KERR COUNTY, TEXAS



-2-

Filed for record June 23, 1975 at 1:10 o'clock P. M.
Recorded June 26, 1975
ESSIE M. MUNKER, Clerk

By *Frederick A. Brown* Deputy

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

This Declaration of Covenants, Conditions and Restrictions (hereinafter referred to as the "Declaration") made on the date as hereinafter set forth, by AGENTS ACCEPTANCE CORPORATION OF AMERICA (hereinafter referred to as "Declarant").

W I T N E S S E T H:

WHEREAS, Declarant owns and desires to develop all of the tracts designated as RIVERHILL LAS CASITAS BLOCK ONE, in Kerr County, Texas, according to the map or plat filed for record in Volume 4, Page 83, of the Plat Records of Kerr County, Texas, on the 2nd day of June, 1977, to which plat and the record thereof reference is here made for all purposes.

NOW THEREFORE, Declarant hereby declares that all of the hereinbefore described property shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of said real property:

ARTICLE I

DEFINITIONS

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

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

B. "Declarant" shall mean AGENTS ACCEPTANCE CORPORATION OF AMERICA, and the successors and assigns of Declarant's rights and powers hereunder.

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

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

E. "Unit" shall mean any portion of a building designed and used for single family residential purposes and the Lot upon which the building is located.

F. "Association" shall mean and refer to RIVERHILL LAS CASITAS ASSOCIATION OF UNIT OWNERS, a non-profit association, its successors and assigns.

G. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any Lot which is a part of the properties, including contract sellers, but excluding Declarant and those having such interest merely as security for the performance of an obligation.

H. "Original Plat" shall mean and refer to the afore-said Plat filed for record in Volume 4, Page 83, of the Plat Records of Kerr County, Texas, on the 2nd day of June, 1977, designating RIVERHILL LAS CASITAS BLOCK ONE.

I. "Properties" shall mean and refer to RIVERHILL LAS CASITAS BLOCK ONE, as hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

J. "Common Area" shall mean and refer to all real property and the improvements thereon owned by the Association for the common use and enjoyment of the Owners. The Common Area out of the real property hereinbefore described is to be owned by the Association at the time of the conveyance of the first Lot and said Common Area is to include all of that real property designated as RIVERHILL LAS CASITAS BLOCK ONE as shown on the Original Plat, to which reference is here made for all purposes; SAVE AND EXCEPT, Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15 and 16, as shown on the hereinbefore referenced Original Plat of RIVERHILL LAS CASITAS BLOCK ONE.

K. "Assigned Parking Spaces" shall mean those parking spaces as designated on the Original Plat, which are a part of the Common Area, said spaces being numbered 1 through 16. Each Lot shall be assigned two (2) parking spaces, which spaces shall be numbered on the Original Plat to correspond with the number of the Lot as shown on said Original Plat. Although a part of the Common Area, each numbered parking space shall be for the sole use and enjoyment for the purpose of vehicle parking of the Owner of the Lot having the same corresponding number as said Assigned Parking Space, all of which numbers are indicated on the Original Plat.

L. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the properties with the exception of the Common Area.

M. "Member" shall mean and refer to every person or entity who holds membership in the Association.

N. "Class A Lots" shall mean and refer to any lot upon which a unit has been completed and has been conveyed to an Owner other than Declarant.

O. "Class B Lots" shall mean and refer to any lot upon which a unit has not been completed or has not been conveyed to an Owner other than Declarant.

ARTICLE II

EXISTING DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS AND THE RESERVATION OF ARCHITECTURAL CONTROL

Section 1: Existing Covenants, Conditions and Restrictions. The Properties and Owners of Lots thereon are expressly subjected to and bound by a Declaration of Covenants, Conditions and Restrictions dated May 27, 1975, recorded in Volume 179, Page 822, Deed Records of Kerr County, Texas. The covenants herein set forth are intended to be in addition to, but not in place of, said preexisting Declaration of Covenants, Conditions and Restrictions and should there be any conflict in the terms of the covenants herein set forth with the terms of the preexisting Declaration of Covenants, Conditions

and Restrictions, then, in such event, those preexisting covenants, conditions and restrictions, will, in all events, control.

ARTICLE III

COVENANTS BINDING ON PROPERTY AND OWNERS

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

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

ARTICLE IV

PROPERTY RIGHTS

Section 1: Owner's Easements of Enjoyment. Every Owner shall have the right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with a title to every Lot, subject to the following provisions:

A. The right of the Association to suspend the voting rights of an Owner for any period during which any assessment against his Lot remains unpaid.

B. The right of the Lot Owners to the unlimited use and enjoyment for vehicle parking of the Assigned Parking Spaces as designated on the Original Plat and as hereinbefore defined.

C. The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility, for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3rds) of each class of members agreeing to such dedication or transfer has been recorded.

D. The right of the Association, in accordance with its Articles and/or By-Laws, to borrow money upon obtaining

the assent of at least two-thirds (2/3rds) of each class of members, for the purpose of improving the Common Area and in aid thereof, to mortgage said properties. The right of such mortgage in such properties shall be subordinate to the right of the homeowners hereunder.

Section 2: Delegation of Use. Any Owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants or contract purchasers who reside on the property.

ARTICLE V

MEMBERSHIP AND VOTING RIGHTS

Section 1: Membership. Every Owner of a Lot which is subject to assessment and Declarant, while required to be a member hereunder, shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2: Voting Rights. The Association shall have two (2) classes of voting membership:

A. **Class A:** Class A members shall be all Owners with the exception of the Declarant, and shall be entitled to one (1) vote for each Lot owned. When more than one (1) person holds an interest 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 (1) vote be cast with respect to any Lot.

B. **Class B:** The Class B member(s) shall be the Declarant and shall be entitled to three (3) votes for each Lot owned.

ARTICLE VI

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1: Creation of the Land and Personal Obligation of Assessments. Each Owner of any Lot, by acceptance of the Deed therefor, whether or not it shall be so expressed in such Deed, is deemed to covenant and agree to pay to the Association:

A. Annual assessments or charges; and

B. Special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each assessment is made. Each such assessment, together with interest, cost and reasonable attorney's fees, shall also be the personal obligation of the person or entity who was the Owner of such property at the time when such assessment fell due. A personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them. Declarant shall not be obligated for any such assessments as described in this Subparagraph B, but all maintenance and expenses incident thereto on Lots owned by Declarant shall be the sole obligation and expenses of Declarant.

Section 2: Purpose of Assessment. The assessments levied by the Association shall be used exclusively to

promote recreation, health, safety and welfare of the residents in the property and for the improvement and maintenance of the Common Area, and of the homes situated upon the property.

Section 3: Determination of Assessments. All assessments shall be based upon the total cash required by the Association to satisfy the expenses of the Association incurred in connection with the ownership, maintenance and operation of the Common Area in accordance with the Association's purpose.

Section 4: Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3rds) of the votes of the Class A members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5: Notice and Quorum for any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty per cent (60%) of all the votes of such class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement as set forth above and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6: Rate of Assessment. Both annual and special assessments must be fixed at uniform rates, to be collected on a quarterly basis.

Section 7: Date of Commencement of Annual Assessments and Due Dates. The annual assessments provided for herein shall commence as to each Lot on the first day of the month following the conveyance of such Lot to the Owner. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year as to each such Lot. The Board of Managers shall fix the amount of the annual assessment against each Lot which has an Owner at least thirty (30) days in advance of each annual assessment. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due date shall be established by the Board of Managers, and unless otherwise provided, the Association shall collect each quarter (on April 1, July 1, October 1 and January 1 of each calendar year), in advance, from the Owner of each Lot one-fourth (1/4th) of the annual assessment for such Lot. The Association shall, upon demand and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. Such certificates shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 8: Effect of Non-Payment of Assessment and Remedies of the Association. Any assessment which is not paid within fifteen (15) days after the due date shall bear interest from the date of delinquency at the rate of seven per cent (7%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. Each such Owner by his acceptance of a Deed to a Lot, hereby expressly vests in RIVERHILL LAS CASITAS ASSOCIATION OF UNIT OWNERS, or its agents, the right and power to bring all actions against its Owner personally for the collection of such charges as a debt and to enforce the aforesaid lien by all methods available for the enforcement of such liens, including foreclosure by an action brought in the name of the Association in a like manner as a mortgage or deed of trust lien on the real property, and such Owner hereby expressly grants to the Association a power of sale in connection with said lien. The lien provided for in this Section shall be in favor of the Association and shall be for the benefit of all of their Lot Owners. The Association, acting on behalf of the Lot Owners shall have the power to bid in any interest foreclosed at foreclosure sale and to acquire and hold, lease, mortgage and convey the same; and to subrogate so much of its right to such liens as may be necessary or expedient to any insurance company continuing to give total coverage notwithstanding non-payment of such defaulting Owner's portion of the premium. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 9: Subordination of Lien to Mortgages. The lien of the assessments provided herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect or impair the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure, trustee's sale, or any proceeding in lieu thereof, shall extinguish the lien of such assessments as payments which become due prior to such sale or transfer. No sale or transfer shall relieve such Lot or its Owner from liability for any assessments thereafter becoming due or from the lien thereof.

Section 10: Management Agreement. Each Owner of a Lot hereby agrees to be bound by the terms and conditions of all management agreements entered into by the Association. A copy of all such agreements shall be available to each Owner. Any and all management agreements entered into by the Association shall provide that said management agreement may be cancelled, prior to the expiration of said agreement, by an affirmative vote of sixty per cent (60%) of the votes of each class of the members of the Association. In no event shall such management agreement be cancelled prior to the effecting by the Association or its Board of Managers of a new management agreement with a party or parties, which new management agreement will become operative immediately upon the cancellation of the preceding management agreement. It shall be the duty of the Association or its Board of Managers to effect a new management agreement prior to the expiration of any prior management contract. Any and all management agreements shall be made with a responsible party or parties having experience adequate with the management of a project of this general type.

Section 11: Insurance Assessments. The Board of Managers or its duly authorized agent, shall have the authority to and shall obtain a broad form public liability policy concerning all Common Area and all damage or injury caused by the negligence of the Association or any of its agents. Premiums for all such insurance shall be common expenses. All such insurance coverage shall be written in the name of the Association as trustee for each of the Owners in equal proportions. It shall be the individual responsibility of each Owner at his own expense to provide, if he sees fit, hazard insurance, homeowner's liability insurance, theft and other insurance covering property damage and loss to property owned by such individual.

ARTICLE VII

EASEMENTS

Section 1: Encroachments. The Common Area shall be subject to an easement for encroachments created by construction, settling and overhangs, as designed or constructed by the Declarant or the builder thereof. A valid easement for said encroachments and for the maintenance of same, so long as it stands, shall and does exist.

Section 2: Other Easements. There is hereby granted an easement to all police, fire protection, ambulance and all similar persons to enter upon the Common Area in the performance of their duties. Further, an easement is hereby granted to the Association, its officers, agents, employees and to any management company elected by the Association to enter in or cross over the Common Area provided for herein. Further, a blanket easement is hereby granted to any utility company or private or governmental agency providing water, natural gas, electrical service or telephone service to install, erect and maintain the necessary pipes, poles, lines and other necessary equipment in, on or under the Common Area.

ARTICLE VIII

GENERAL PROVISIONS

Section 1: Enforcement. The Association or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by 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 2: Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no manner affect any other provision which shall remain in full force and effect.

Section 3: Term. This Declaration shall be effective upon the date of recordation hereof, and as amended from time to time, shall continue in full force and effect to and including December 31, 2004. From and after this said date, this Declaration, as amended, shall be automatically extended for successive periods of ten (10) years, unless there is an affirmative vote to terminate this Declaration by the then Owners of seventy-five per cent (75%) of the Lots. Furthermore, this Declaration may be terminated at any time if (i)

Owners of legal title of seventy-five per cent (75%) of the Lots by affirmative vote elect to so terminate this Declaration and (ii) Declarant approves such termination in writing.

Section 4: Amendments. This Declaration may be amended or changed in whole or in part at any time by (i) the affirmative vote of the Owners of legal title of fifty-one per cent (51%) of the Lots and (ii) the written approval of Declarant.

Section 5: Election Procedure for Amendments and Termination. The affirmative votes required under Section 3 or Section 4 of this Article may be obtained and evidenced either by a written consent to any such amendment or termination, as the case may be, signed by the requisite percentage of Owners (which such consent shall be in recordable form and presented to Declarant) or by the requisite vote by the Owners at a meeting of Owners duly called by at least ten (10) Owners or by Declarant pursuant to notice in writing mailed to all of the Owners at their last known addresses on or prior to ten (10) days before the date of the meeting at which meeting the requisite percentage of Owners, in person or by proxy, vote to so amend or terminate this Declaration (and the covenants herein). The notice of the meeting must set forth the proposal as to amendment or termination of this Declaration (and/or the covenants therein) and the affirmative vote of the requisite percentage of Owners must be evidenced by minutes of the meeting duly certified by the Owners who called the meeting or Declarant. In any event, a copy of the minutes must be delivered to Declarant.

Section 6: Recording of Amendments or Termination. Upon the requisite percentage of Owners duly voting to amend or terminate this Declaration (and/or the covenants herein) and upon the other conditions set forth in Section 3 or Section 4 (of this Article, as the case may be) and Section 5 of this Article being satisfied, then:

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

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

Section 7: Effect. Upon the recording of the Certificate of termination as required by Subparagraph B in Section 6 of this Article, these covenants and this Declaration shall have no further force and effect. Upon the filing of a Certificate of Amendment in accordance with Subparagraph A in Section 6 of this Article, this Declaration and the covenants, as amended, shall remain in full force and effect, enforceable in accordance with its terms.

Section 8: Right of Amendment if Requested by Governmental Agency or Federally Chartered Lending Institutions. Anything in this Article to the contrary notwithstanding, Declarant reserves the right to amend all or any part of this Declaration to such an extent and with such language as may be requested by any federal, state or local agency which

requests such an amendment as a condition precedent to such agency's approval of this Declaration, or by any federally chartered lending institution as a condition precedent to lending funds upon the security of the Properties or any portion thereof. Any such amendment shall be effected by the recordation, by Declarant, of a Certificate of Amendment signed by a duly authorized agent of Declarant, with his signature acknowledged, specifying the federal, state or local governmental agency or the federally chartered lending institution requesting the amendment and setting forth the amendatory language requested by such agency or institution. Recordation of such a Certificate shall be deemed conclusive proof of the agency's or institution's request for such an amendment, and such Certificate, when recorded, shall be binding upon the Properties and all persons having any interest in the Properties. Except as provided in this Section 8 Declarant shall not have any right to amend this Declaration otherwise than in accordance with and pursuant to the provisions of Section 4 of this Article.

Section 9: Gender and Grammar. Singular whenever used herein shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof to apply either to corporation, individuals, or other entities, men or women, shall in cases be assumed as though in all cases expressed.

IN WITNESS WHEREOF, Declarant herein has hereunto set its hand and seal this 26th day of December, 1977.

AGENTS ACCEPTANCE CORPORATION
OF AMERICA

William R. Brockett

WILLIAM R. BROCKETT, President

ATTEST:

Sherman Hunt
SHERMAN HUNT, Secretary

FILED FOR RECORD

at 2:10 o'clock P.M.

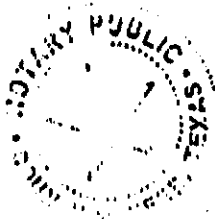
JAN 18 1978

THE STATE OF TEXAS X
COUNTY OF KERR X

EMMIE M. MUENKER
Clerk, County Clerk and County Seal
of Kerr County, Texas

BEFORE ME, the undersigned authority, on this day personally appeared WILLIAM R. BROCKETT, President of AGENTS ACCEPTANCE CORPORATION OF AMERICA, a corporation, 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, in the capacity therein stated and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 26th day of December, 1977.



James L. ...
Notary Public in and for
Kerr County, Texas

-9-

Filed for record January 18, 1978 at 2:10 o'clock P.M.
Recorded January 24th, 1978
EMMIE M. MUENKER, Clerk

By *James L. ...* Deputy

ASSIGNMENT

This Assignment is entered into by RIVERHILL COUNTRY CLUB, INC., a Texas nonprofit corporation ("Riverhill") to and for the benefit of ASSOCIATION OF PROPERTY OWNERS OF RIVERHILL, a Texas nonprofit corporation ("Association");

W I T N E S S E T H:

A. The Declarations of Covenants, Conditions and Restrictions (the "Declarations") described in the Articles of Incorporation of the Association (attached hereto and made a part hereof for all purposes) have been recorded and established as therein set forth.

B. Riverhill has agreed to assign its rights under the Declarations to the Association.

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and benefits herein contained, together with Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and confessed, Riverhill does hereby assign, transfer and convey to the Association, all of the rights, benefits, privileges and authorities of Riverhill under the Declarations; so that the Association shall be vested with all such rights, privileges, benefits and authorities of and under the Declarations and shall be the successor to Riverhill as the Declarant and Developer under the Declarations for all purposes.

Riverhill shall be responsible under the Declarations for the discharge and performance of any and all duties and obligations to be performed and/or discharged by the Declarant and Developer thereunder prior to the date hereof, and Riverhill covenants and agrees to promptly discharge all obligations of the Developer and Declarant under the Declarations to be performed and/or discharged thereunder prior to the date hereof and to indemnify, save and hold harmless the Association from and against any and all losses, liabilities, claims, or causes of action existing in favor of or asserted under the Declarations and arising out of, in connection with, or relating to the Declarations prior to the date hereof. Except as set forth in the foregoing the Association shall be responsible under the Declarations for the discharge and performance of all obligations, terms, covenants and conditions of the Declarations on the part of the Declarant and Developer therein required to be performed after the date hereof.

All of the covenants, terms and conditions set forth herein shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this Assignment on this 30th day of January, 1998.

RIVERHILL COUNTRY CLUB, INC.

BY: William G. Kendrick
Name: William G. Kendrick
Title: President

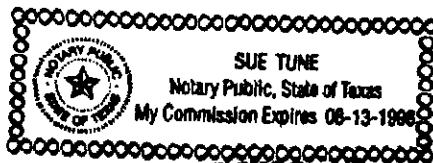
ASSOCIATION OF PROPERTY OWNERS OF
RIVERHILL

BY: John J. Clemens
Name: John J. Clemens
Title: President

THE STATE OF TEXAS §

COUNTY OF KERR §

This instrument was acknowledged before me this 30th day of January, 1998, by William G. Kendrick, President of RIVERHILL COUNTRY CLUB, INC., a Texas nonprofit corporation, on behalf of said corporation.



THE STATE OF TEXAS §

COUNTY OF KERR §

Sue Tune
Notary Public, State of Texas

This instrument was acknowledged before me this 31st day of January, 1998, by John J. Clemens, President of ASSOCIATION OF PROPERTY OWNERS OF RIVERHILL, a Texas nonprofit corporation, on behalf of said corporation.



Sandra Shay Hale
Notary Public, State of Texas

FILED
in the Office of the
Secretary of State of Texas

DEC 3 1997

ARTICLES OF INCORPORATIONOFASSOCIATION OF PROPERTY OWNERS OF RIVERHILL

Corporations Section.

We, the undersigned natural persons of the age of twenty-one (21) years or more, at least two of whom are citizens of the State of Texas, acting as incorporators of a corporation (hereinafter called the "Corporation") under the Texas Non-Profit Corporation Act (hereinafter called the "Act"), do hereby adopt the following Articles of Incorporation for the Corporation.

ARTICLE I.

The name of the Corporation is ASSOCIATION OF PROPERTY OWNERS OF RIVERHILL.

ARTICLE II.

The Corporation is a non-profit corporation.

ARTICLE III.

The period of its duration is perpetual.

ARTICLE IV.

This Corporation does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are the following which shall be in addition to, and the Corporation is organized for, any other lawful purpose permitted by applicable law:

- a. To exercise all of the powers and privileges and to perform all of the duties and obligations of the Declarant and Developer under and as set forth in the following covenant, restrictions and declarations and the plats of the land encumbered thereby (collectively, "Declarations"), which terms will include those other and additional areas, restrictions, etc., approved by the Board from time to time:

Riverhill Cottages: Volume 179, Page 806, Volume 179, Page 822, and corrected by Volume 180, Page 584, Volume 308, Page 263 and Volume 303, Page 833, Deed Records, Kerr County, Texas, Volume 346, Page 726, Volume 391, Page 672, and Volume 392, Page 190, Real Property Records, Kerr County, Texas.

Riverhill Estates No. One: Volume 130, Page 407 and Volume 148, Page 390, amended by Volume 174, Page 556, Volume 179, Page 759, Deed Records, Kerr County, Texas.

Riverhill Estates No. One (Lot 2A, Block K): Volume 238, Page 611, Deed Records, Kerr County, Texas.

Riverhill Estates No. One (Lots 3A and 3B, Block K): Volume 238, Page 617, Deed Records, Kerr County, Texas.

Riverhill Estates No. One (Lot K1, Block K): Volume 238, Page 614, Deed Records, Kerr County, Texas.

Riverhill Estates No. One (Lot 9, Block L): Volume 243, Page 846, Deed Records, Kerr County, Texas.

Riverhill Estates No. Two, SAVE AND EXCEPT Lots 1-7, Block R: Volume 179, Page 765, Deed Records, Kerr County, Texas.

Riverhill Estates No. Two, Lots 1-7, Block R: Volume 179, Page 806, Volume 179, Page 822, being corrected by Volume 180, Page 584, Deed Records, Kerr County, Texas.

Riverhill Estates No. Three: Volume 179, Page 786, Deed Records, Kerr County, Texas.

Riverhill Las Casitas: Volume 179, Page 806, Volume 179, Page 822, being corrected by Volume 180, Page 584, and supplemented by Volume 204, Page 277, Deed Records, Kerr County, Texas.

Riverhill Los Adobes: Volume 179, Page 806, Volume 179, Page 822, being corrected by Volume 180, Page 584, and supplemented by Volume 236, Page 245, Deed Records, Kerr County, Texas.

Riverhill Townhouse Tracts No. One: Volume 179, Page 806, Volume 179, Page 822, being corrected by Volume 180, Page 584, Deed Records, Kerr County, Texas.

Riverhill Townhouse Tracts No. One, Lots 41-44: Volume 192, Page 271, and Volume 243, Page 841, Deed Records, Kerr County, Texas.

Riverhill Townhouse Tracts No. One, Lots 1-2: Volume 278, Page 6, Deed Records, Kerr County, Texas.

Riverhill Townhouse Tracts No. Two: Volume 179, Page 806, Volume 179, Page 822, being corrected by Volume 180, Page 584, Deed Records, Kerr County, Texas, Volume 189, Page 617, Deed Records, Kerr County, Texas.

Riverhill Townhouse Tracts No. Three: Volume 179, Page 806, Deed records, Kerr County, Texas.

Riverhill Townhouse Tracts No. Four, Section One: Volume 179, Page 806, Volume 179, Page 822, being corrected by Volume 180, Page 584, Deed Records, Kerr County, Texas, and supplemented by Volume 242, Page 362, Volume 242, Page 365, and Volume 242, Page 370, Deed Records, Kerr County, Texas.

Riverhill Townhouse Tracts No. Four, Section Two: Volume 179, Page 806, Volume 179, Page 822, being corrected by Volume 180, Page 584, Deed Records, Kerr County, Texas, and supplemented by Volume 242, Page 362, Volume 242, Page 365, Volume 242, Page 370, and Volume 256, Page 548, Deed Records, Kerr County, Texas.

Riverhill Townhouse Tracts No. Five: Volume 179, Page 806, Volume 179, Page 822, being corrected by Volume 180, Page 584, and supplemented by Volume 200, Page 127, Deed Records, Kerr County, Texas.

Riverhill Townhouse Tracts No. Six: Volume 179, Page 806, Volume 179, Page 822, being corrected by Volume 180, Page 584, and supplemented by Volume 214, Page 751, Deed Records, Kerr County, Texas.

Riverhill Townhouse Tracts No. Six, Section Two: Volume 179, Page 806, Volume 179, Page 822, corrected by Volume 180, Page 584, and supplemented by Volume 226, Page 176, Deed Records, Kerr County, Texas.

Riverhill Townhouse Tracts No. Six, Section Two, (Lots 49-55): Volume 329, Page 583, Real Property Records, Kerr County, Texas.

Riverhill Townhouse Tracts No. Seven: Volume 179, Page 806, Volume 179, Page 822, corrected by Volume 180, Page 584, and supplemented by Volume 252, Page 408, Volume 252, Page 411, and Volume 252, Page 414, Deed Records, Kerr County, Texas.

Riverhill Townhouse Tracts No. Eight: Volume 179, Page 806, Volume 179, Page 822, corrected by Volume 180, Page 584, and supplemented by Volume 264, Page 456, and Volume 274, Page 367, and Volume 264, Page 462, Deed Records, Kerr County, Texas.

The Meadows of Riverhill, Section Two of The Meadows of Riverhill (Lot 21 only), The Meadows of Riverhill Section Three: Volume 179, Page 806, Volume 179, Page 822, corrected by Volume 180, Page 584, supplemented by Volume 259, Page 391, Deed Records, Kerr County, Texas.

The Fairways: Volume 179, Page 806, Deed Records, Kerr County, Texas.

Fairway Plaza Volume 179, Page 806, Deed Records, Kerr County, Texas.

4 Townhouses on Fairway Court: Volume 130, Page 407, Volume 148, Page 390, and Volume 158, Pages 383-398, Deed Records, Kerr County, Texas.

- b. To pay all administrative expenses incident to the conduct of the business of the Corporation, including any licenses, taxes or governmental charges which may be levied or imposed against the Corporation or any property it may own;
- c. Insofar as permitted by law, to do any other thing that, in the opinion of the Board of Directors, will promote the common benefit and enjoyment of the residents of the property covered by the Declarations; provided, that no part of the net earnings of the Corporation shall inure to the benefit of or be distributable to any member, director or officer of the Corporation, or any private individual (except that reasonable compensation may be paid for services rendered to or for the Corporation effecting one or more of its purposes), and no member, director or officer of the Corporation, or any private individual, shall be entitled to share in the distribution of any of the corporate assets on dissolution of the Corporation; and provided, further, that no part of the activities of the Corporation shall be carrying on propaganda, or otherwise attempting, to influence legislation, or participating in, or intervening in (including the publication or distribution of statements), any political campaign on behalf of any candidate for public use.

ARTICLE V.

The street address of the initial registered office of the Corporation is 100 Riverhill Club Lane, Kerrville, Texas 78028, and the name of its initial registered agent at such address is BRYAN ROE.

ARTICLE VI.

Section 1. The number of Directors constituting the initial Board of Directors of the Corporation is three (3), all of whom are residents of the State of Texas.

Section 2. The names and addresses of persons who are elected to serve as directors until their successors shall have been

elected and qualified are:

<u>NAME</u>	<u>ADDRESS</u>
W. TOM SPURLOCK	512 Rolling Green Drive Kerrville, Texas 78028
RICHARD A. RAIDT	362 Englewood Drive Kerrville, Texas 78028
OLLIE D. BROWN, JR.	510 Preston Trail Drive Kerrville, Texas 78028

Section 3. The number of Directors may be increased or decreased from time to time by amendment to the By-Laws, but no decrease shall have the effect of shortening the term of any incumbent director, and the number of directors shall not be decreased to less than three (3) directors. In absence of a by-law fixing the number of directors, the number shall be three (3).

ARTICLE VII.

Upon dissolution of the Corporation, other than incident to a merger or consolidation, the assets both real and personal of the Corporation shall be dedicated to an appropriate public agency to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Corporation. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization engaged in activities substantially similar to those of the Corporation and which are qualified as exempt organizations under the Internal Revenue Code of 1954, or the corresponding provisions of any future United States Internal Revenue law.

ARTICLE VIII.

The Corporation shall have Members and the qualification, designation and rights of the Members shall be set forth in the Bylaws of the Corporation.

ARTICLE IX.


The name and street address of each incorporator is:

<u>Name</u>	<u>Address</u>
W. TOM SPURLOCK	512 Rolling Green Drive Kerrville, Texas 78028

RICHARD A. RAIDT

362 Englewood Drive
Kerrville, Texas 78028

OLLIE D. BROWN, JR.

510 Preston Trail Drive
Kerrville, Texas 78028EXECUTED this 15th day of December, 1997.
W. TOM SPURLOCK
RICHARD A. RAIDT
OLLIE D. BROWN, JR.

6\RM\AR2

FILED FOR RECORD

at...12:11... o'clockP.....M

FEB 2 1998

BILLIE G. MEEKER

Clerk County Court, Kerr County, Texas
~~Mary Ann McDaniel~~ ...Deputy

Filed by + return to:
Richard A. Raidt
P.O. Box 33895
362 Englewood Dr.
Kerrville Tx 78028

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 hereon by me and was duly RECORDED in the Official Public Records of Real Property of Kerr County, Texas on

RECORD

VOL.

Real Property
935 PG 344
RECORDING DATE

FEB 03 1998




COUNTY CLERK, KERR COUNTY, TEXAS

FEB 03 1998




COUNTY CLERK, KERR COUNTY, TEXAS

6

RECORDER'S NOTE

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02299

VOL. 1057 PAGE 0040

**DOCUMENT OF AMENDMENT
TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS**

This Document of Amendment, hereby adopted and declared to be in full force and effect on and after March 24, 2000, is an amendment to the Declaration of Covenants, Conditions and Restrictions (hereinafter called the "Declaration") heretofore filed for record in Volume 204, Page 277 et seq. of the Deed Records of Kerr County, Texas, filed in 1977 by Agents Acceptance Corporation of America, relating, among other things, to the Riverhill Las Casitas Association of Unit Owners (hereinafter called the "Association" which is unincorporated) and to the sixteen (16) residential units in Riverhill Las Casitas Block One (hereinafter sometimes referred to as the "Casitas"), and to the common areas of said Riverhill Las Casitas Block One. A Plat of Survey of Riverhill Las Casitas Block One (hereinafter sometimes referred to as "Block One") is filed for record at Volume 4, Page 83, of the Plat Records of Kerr County, Texas, to which reference is hereby made for all purposes.

This amendment has been adopted pursuant to Section 4 of the said original Declaration, which appears at Page 8 of said Declaration. Since said Section 4 provides that the Declaration may be amended in whole or in part, this Document of Amendment of March 24, 2000, is intended to completely replace, with certain exceptions noted hereinafter, and does hereby replace, with certain exceptions noted hereinafter, the aforesaid 1977 Declaration filed in Volume 204, Page 277 et seq., and does hereby adopt this new Document of Amendment to replace, with certain exceptions noted hereinafter, the old Declaration. The exceptions referred to in the preceding sentence relate to Article 6, Section 1, Paragraph B of the Declaration which provides that "The annual and special assessments, together with interest, costs and reasonable attorney fees shall be a charge on the land and shall be a continuing lien upon the property against which each assessment is made", which said provision is hereby retained as part of this Document of Amendment and is hereby adopted by reference as a portion hereof. The liens thereby created shall continue to be in full force and effect. Otherwise, none of the provisions of the Declaration shall remain in force and effect, but are supplanted by the provisions of this Document of Amendment. This is not a termination of the Declaration as contemplated by Article VIII, Section 3 of the Declaration, but rather a continuation of the same, as amended, as there has been no lapse of time between the effective life of the Declaration and the effective date of this Document of Amendment, and since much of the overall intent and purpose of the Declaration, and several of the provisions of the Declaration are, to a substantial extent, embodied in this Document of Amendment.

As required by Article VIII, Section 4 of the Declaration, this amendment was accomplished by affirmative vote of the owners of legal title of more than fifty-one percent (51%) of the lots in Riverhill Las Casitas Block One. The written approval of Agents Acceptance Corporation of American is deemed to be no longer a requirement for adoption of

496,

this Document of Amendment, for two reasons: First, Agents Acceptance Corporation of America no longer owns any interest in Riverhill Las Casitas Block One, having conveyed all sixteen of the lots to various purchasers, and having conveyed the common area to the Association by Warranty Deed of February 3, 1978, filed for record in volume 205, Page 407, Deed Records of Kerr County, Texas. Second, the Secretary of State of the State of Texas, Corporate Division, reports that Agents Acceptance Corporation of America is not an active corporation in Texas at this time, and no entity with a closely similar corporate name is an active corporation in Texas at this time.

It is the further intent of this amendment to put to rest the question of whether a certain document entitled "Bylaws of Riverhill Las Casitas Association of Unit Owners" (hereinafter called the "Bylaws"), bearing date of some time in 1977, is a valid legal document binding on the Members of the Association, namely the owners of the sixteen units of Riverhill Las Casitas, Block One. Some of our Members have questioned its validity since, as far as anyone can determine, it had not been filed for record as of the time that any of the present owners of the Casitas acquired their Casitas. Several Members have copies of this document, but not all are certain as to just when and how they acquired these copies. By its own terms, these purported Bylaws can be amended in essentially the same way the Declaration can be amended, that is by vote of fifty-one percent (51%) of the Members. Accordingly, the undersigned Members of the Association and the owners of the Casitas who have signed and ratified this Document of Amendment, have decided to resolve any question about the validity of the purported Bylaws by voting to amend and set them aside in their entirety, and to replace them with a new document, namely this Document of Amendment to the Declaration; and the Association does hereby amend the said Bylaws in their entirety, and does hereby replace them with this Document of Amendment. In short, two previous documents, the Declaration and the purported Bylaws, have been replaced by one document, this Document of Amendment. If the Bylaws were a valid and binding legal document, they have been amended and replaced in accordance with their own provisions for amendment. If they were not valid and legally binding, this new Document of Amendment in its entirety is valid as an amendment to the Declaration.

NOW, THEREFORE:

The following provisions are binding on all the present owners and all subsequent owners of Lots One through Sixteen in Riverhill Las Casitas Block One, and are binding as covenants running with the land on each of the said Lots One through Sixteen, as well as the common areas in said Block One, effective immediately.

Article 1 - Members of the Association. The term "Member" as used herein shall mean the owner of one or more of the Casitas, as reflected by deeds recorded in the Deed Records of Kerr County, Texas. Where more than one person or entity is listed in one of such deeds as owners, the persons named shall, by agreement, determine which shall exercise the powers granted herein to owners, and so inform the Association Manager. If one and only one person who is one of the record owners of a Casita attends a meeting of the owners in person or by proxy, it shall be presumed that person or entity is entitled to vote as a Member as fully as if he or she were the

sole owner. If more than one of the persons who are record owners of a Casita attend a meeting in person or by proxy, they shall decide by agreement who shall be empowered to vote as a Member at such meeting, and, failing to do so, none of them shall be entitled to vote. A person or entity who owns more than one Casita shall be entitled to cast the number of votes equal to the number of Casitas such person or entity owns.

Article 2 – Purpose of the Association. The Association's purpose is to maintain and enhance, by whatever lawful means are deemed appropriate, the property values of the Casitas, and the quality of life of the Casita owners, present and future, and their family members, guests and/or tenants while said persons are in residence at the Casitas.

Article 3 – Rights and Obligations of Members of the Association as Owners of the Casitas. The Association, as such, has no jurisdiction over the manner in which any Member maintains the Casita or Casitas which the Member owns. However, each Member is subject to constructive notice of documents on file with the Deed Records of Kerr County, Texas, in which the Association of Property Owners of Riverhill, Inc. (hereinafter sometimes called "APOR") asserts the right to enforce various provisions relating to the occupancy, use and maintenance of each of a large number of properties in the Riverhill area, including all of Block One and all sixteen of the Casitas and also the common area. Among these documents are the following:

- a. Declaration of Covenants, Conditions and Restrictions by Riverhill Club & Estates, Ltd., recorded in Volume 179, Page 822, Deed Records, Kerr County, Texas.
- b. Reservation of Architectural Control by Riverhill Club & Estates, Ltd., recorded in Volume 179, Page 806, Deed Records, Kerr County, Texas.
- c. Assignment, Riverhill Country Club, Inc., to Association of Property Owners of Riverhill, recorded in Volume 935, Page 341.

The Association, by a vote of the owners of nine (9) of the Casitas at a called meeting, as provided hereinafter, can call upon the Association of Riverhill Property Owners, or any entity successor to ARPO, to take such action within the lawful powers of ARPO or its successors as the Association deems to be necessary for the maintenance of property values of the sixteen (16) Casitas generally, and/or the maintenance of a high standard of quality for the Casitas as a desirable residential area.

Article 4 – Rights and Obligations of Members Regarding the Common Area. The right of each Member to the responsible use and enjoyment of the common area is identical with and equal to the right of any other Member. Accordingly, each Member is required to use the common area with full respect for the right of other Members, their families, guests, and/or tenants to the responsible use and enjoyment of the common area. Without limitation of the foregoing, each Member is required to use the parking areas as they are designated for each Casita in the Plat of Survey of Block One, referred to hereinabove, and shall refrain from use of the parking areas assigned to other Members without consent of such other Member, and shall

make a reasonable effort to encourage their family members, guests and/or tenants to observe the same courtesies.

The common area, with its landscaping features, such as trees, shrubs, ground cover, grass and other plantings, are, in their present condition, an asset owned by the Association for the use and enjoyment of Members, their families, guests and/or tenants. Therefore no Member has the right to cause or permit the alteration or modification of the present condition of any of these amenities, such as, but not limited to, the removal of trees or shrubs, without the consent of the Association given at a meeting of the Members as the governing body. Any member wishing such alteration or modification must so inform the President, who will then consult ARPO to determine if such alteration or modification is in compliance with the various provisions which ARPO is empowered to enforce, so that at the meeting of the Members called to consider such proposed alteration or modification, the President can inform the Member of ARPO's position. Any such alteration or modification which does not have ARPO's written approval can only be done by unanimous agreement expressed in writing by each of the owners of all sixteen of the Casitas.

Article 5 – Governance of the Association. The owners of the sixteen Casitas are the governing body of the Association. All powers to act for or on behalf of the Association reside in the owners as the governing body, except powers expressly granted herein to the President of the Association and to the Association Manager. The owners as a governing body can act only at a meeting called, as provided in Article 8 hereinafter. Any actions by the owners at such meetings shall require an affirmative vote by the owners of nine of the Casitas, except as otherwise provided herein, including, but not limited to, the provisions of Article 4 (Common Area); Article 8, Paragraph e (Quorum); Article 9 (Emergency); Article 12 (Indemnity); Article 13 (Transfer to Public Agency) and Article 17 (Term and Termination).

Article 6 – President of the Association

- a. **Election and Term of Office.** The President shall be the owner of one of the Casitas, unless none of the owners will accept election, in which case the President shall be any adult of good character and repute whose principal residence is in Kerr County, Texas. The President shall be elected at the annual meeting of the owners and Members as the governing body, and shall serve until the annual meeting following his/her election, or until a successor is elected. As in the case of other actions by the owners, election of the President will require the affirmative vote of the owners of nine of the Casitas.
- b. **Powers and Duties of the President.** The primary function of the Association, consistent with the purposes set out hereinabove, is to maintain the common area. The common area, comprising 0.82 acres, consists of paved driveways, curbs, paved walkways, rock retaining walls, some large decorative rocks, trees, shrubs, grass or other ground cover, and other plantings. The President is authorized, in consultation with the Association Manager, to engage contractors to maintain these amenities in good condition and in good repair in keeping with the purposes of the Association, and to make such minor

improvements in these amenities as the President shall deem appropriate, so long as the expense incurred in such maintenance, repair and/or minor improvements shall not exceed the funds available in any calendar year from the annual assessments paid by owners to the Association in an amount approved by the owners as the governing body, after other routine expenditures authorized herein have been made. Improvements and/or modifications involving greater expense shall require action by the owners as the governing body.

The President shall also have the power to sign, on behalf of the Association, reports to governmental agencies of all levels of government prepared by the Association Manager, provided such reports appear to the President to be in good order. If such reports appear to involve a substantial impact on the financial solvency of the Association at the present rate of assessment, or otherwise have a substantial impact on the best interests of the Association, the President shall obtain the approval of the Members as the governing body prior to signing such reports.

The President, in consultation with the Association Manager, shall take steps to insure that complete and accurate minutes are recorded of each meeting of the Members which reflect all actions taken by vote of the Members. Following each meeting, copies of the minutes of the meeting shall be mailed by the Association Manager to each member, including those who attended in person, those who attended by proxy, and those who did not attend at all. The first item at any meeting shall be the consideration of the approval of the minutes of the last meeting. When approved, a copy of the minutes, signed by persons who presided at the meeting where the minutes were approved, shall be kept at the office of the Association Manager, to be available for inspection by any Member at reasonable times on reasonable notice, at the offices of the Association Manager.

The President shall preside at all meetings of the Members. If the President is not in attendance in person, the Members in attendance, either in person or by proxy, shall elect one of their number to preside at the meeting.

- c. Compensation. The President shall receive no compensation for service as President, but shall be entitled to reimbursement for expense incurred in communicating by mail or by long distance telephone with owners and other persons in pursuit of his duties as President of the Association.

Article 7 – The Association Manager.

- a. Appointment. The Members as the governing body shall appoint an Association Manager (herein referred to as the "Association Manager" or "Manager") at each annual meeting, to serve as such until completion of the following annual meeting. Mr. Michael Douville of Kerrville, Texas, is by these presents named as Association Manager, to serve as such until the first annual meeting following the adoption of this Document of Amendment. The Association does hereby acknowledge that Mr. Douville has, for some

time, been performing the duties of Association Manager, and does hereby express appreciation to him and his associates for the high quality of service rendered, and does hereby approve, confirm and ratify each and every act performed for and on behalf of the Association by Mr. Douville, his associates and his accounting firm, prior to and including the effective date of these presents.

- b. Vacancy. The Members as the governing body shall appoint a replacement to the Association Manager at any time the Members, as the governing body, shall determine, at a called meeting, that the Association Manager is, for whatever reason, no longer willing or able to serve as Association Manager.
- c. Duties of the Association Manager. The Association Manager is the custodian of all the funds of the Association, shall collect the assessments, and disburse the funds as authorized by the President acting within the authority granted hereunder to the President, and by the Members as the governing body. The Association Manager shall maintain the financial records of the Association, and shall submit an annual report to each annual meeting of the Members as the governing body. In consultation with the President, the Association Manager shall keep the President informed of pertinent information concerning the affairs of the Association that shall become known to the Association Manager from time to time. The Association Manager or the Association Manager's designee shall attend each annual meeting of the Members as the governing body and, where reasonably possible, attend called meetings. The Association Manager, at the President's direction, shall mail out notices to the Members of the time and place of each annual meeting and of each called meeting, and following each meeting shall mail out copies of the minutes of the meeting to each Member. The Association Manager and the President may, by informal agreement, determine other services to be rendered by the Association Manager, so long as such additional services do not have a substantial impact upon the fees to be paid by the Association to the Association Manager for the Association Manager's services. Such agreements for additional services shall be made known to the Members at the next meeting of the Members.
- d. Compensation. The Association Manager shall be paid a reasonable fee for services rendered to the Association, and shall be reimbursed for reasonable expenses incurred in the performance of duties as Association Manager. If facts and circumstances which will bring about a substantial increase in fees and/or expense reimbursement for a given calendar year over the preceding calendar year become known to the Association Manager, the Association Manager will so inform the President, who shall then call a meeting of the Members as the governing body to consider such increases.

Article 8 – Meetings of the Members as the Governing Body. The term "meeting" or "meetings" as used herein shall refer to meetings of the Members as the governing body of the Association.

- a. Annual Meeting. The Annual Meeting shall be held each year at the offices of the Association Manager during the month of July. The particular date during such month shall be selected by the President in consultation with the Association Manager. A reasonable effort shall be made by the President to accommodate the convenience of Members, both those residing in Kerrville and those residing elsewhere.
- b. Called Meetings. The President, in consultation with the Association Manager, may call a meeting whenever the President shall determine that sufficient reason exists. The President, in consultation to the Association Manager, shall determine the time and place of such called meeting; PROVIDED, HOWEVER, that the place of such meeting shall be in Kerrville, Texas, unless extraordinary circumstances, as determined by the President, require that the meeting be held elsewhere. Upon written request signed by any three Members, the President shall call a called meeting as soon as reasonably possible, and if the President for any reason does not act promptly upon such request, the Association Manager shall call such meeting as requested.
- c. Notices. Written notice of the time and place of the Annual Meeting and/or the time and place of any called meeting shall be mailed to each Member no less than thirty (30) days prior to such meeting. Proxy forms shall be included with each notice.
- d. Proxies. Any Member who desires to do so may furnish a signed written proxy authorizing the Association Manager, the Association Manager's designee, the President, or any other Member to attend such meeting and to cast votes for and on behalf of the Member granting such proxy. The Member granting the proxy may use the proxy form furnished with the notice of the meeting, or may prepare the proxy in his or her own language; PROVIDED, HOWEVER, that the proxy must specify the time and place of the meeting to which it applies, and must name the person to whom the proxy is granted, and must be signed by the Member granting the proxy. A proxy may be granted for one meeting only and to one person only.
- e. Quorum. Quorum for all meetings shall be nine (9) Members attending in person or by proxy, except as provided otherwise in Article 12 (Indemnity). If a quorum fails to appear for the Annual Meeting, the Members in attendance may, by unanimous vote, act upon the agenda listed in the immediately following paragraph "f" hereinbelow ("Agenda") but may take no other action in the absence of a quorum.
- f. Agenda. The agenda to be considered at the annual meeting shall include:

Employment of the Association Manager for a term extending through the following Annual Meeting;

Receiving and examining the Association Manager's annual report; Fixing the amount of the annual assessment of owners;

Reviewing the need for liability insurance coverage and the appropriate amount of such coverage;

Any other business that the Association Manager, the Association Manager's designee, or any Member wishes to bring before the meeting.

The agenda for called meetings shall be stated in the notice of the meeting, and no action shall be taken not clearly relevant to the agenda statement included in the notice, except that in emergency situations action can be taken by unanimous vote of all Members in attendance either in person or by proxy, provided a quorum is present for such called meeting.

- g. Compensation. Members shall not be entitled to compensation for or reimbursement of expenses incurred in attending meetings of the Members.

Article 9 – Emergency. In case of the occurrence of an event or events which comprise a serious threat of serious damage to the physical condition of the Casitas and/or to the amenities of the common area, or to the financial solvency of the Association, or to the quality of life of the occupants of the Casitas, the President shall promptly call a meeting of the Members to deal with such threat. If the President is not available to deal promptly with such threat, the Association Manager shall issue a call for such a meeting. If the threat is such a clear and present danger that passage of the thirty (30) day notice period for called meetings is likely to render efforts to deal with the emergency ineffectual, the President, in consultation with the Association Manager, may, in the name of and on behalf of the Association, take such action and make such use of the Association's resources as will, in the President's judgment, minimize the threatened damage; PROVIDED, HOWEVER, that before taking any such action, the President shall make a good faith effort, so far as is practicable under the circumstances, to consult with all of the owners or as many of the owners as can readily be reached for consultation. If the President is not available to exercise the powers granted hereby in this Article 9, the Association Manager shall be authorized to exercise such powers.

Article 10 – Assessments.

- a. Levy. The Association shall raise the funds necessary to carry out its purposes and functions as provided herein by levying an annual assessment (hereinafter referred to as the "assessment") upon the owner or owners (including present and/or future owners) of each of the Casitas. The assessment shall be an equal amount of each Casita, so that an owner of more than one Casita shall pay the amount of the assessment for each of the Casitas that he/she owns. For example, but not by way of limitation, the owner of two Casitas shall pay twice the amount paid by the owner of only one Casita. The amount of the annual assessment shall be determined at the annual meeting of the Members as the governing body for the twelve month period following the annual meeting.

- b. Continuation of Existing System. The existing system of payment of the annual assessment in quarterly increments shall continue in effect, and any payments due at the time of the effective date of this Document of Amendment under assessments previously levied shall be due and payable according to such existing arrangements. The first quarterly payment of the annual assessment shall be due and payable on the first day of the quarterly period following the annual meeting at which such assessment is levied. Quarterly periods are deemed to begin on January 1, April 1, July 1 and October 1 of each calendar year. Emergency increases in the annual assessment can be levied at a called meeting with collection to begin on the quarterly due date following such called meeting; PROVIDED, HOWEVER, that such emergency increases shall require a vote of twelve Members.
- c. Personal Liability. Each Casita owner is personally liable for the assessments levied while he or she is or was owner of the Casita or Casitas. Where there is, or in the future will be, more than one owner, all owners are jointly and severally liable. Personal liability for any amount owed for such assessments at the time an owner is divested of ownership of a Casita shall survive such transfer of ownership.
- d. Late Payment. If an assessment payment is not made within fifteen (15) days of the due date, the Member shall be deemed delinquent as to such payment, and interest thereafter shall accrue at the rate of seven percent (7%) per annum.
- e. Lien. In addition to, and not in derogation of, the personal liability of the owners, the assessments plus interest and, where awarded in litigation for the collection of such assessments, court costs and attorney fees, shall be a charge upon the realty owned by each Member respectively, present and future, in Riverhill Las Casitas Block One, and shall be a continuing lien in favor of the Association upon such realty. Such lien shall be subordinate to any first mortgage lien on the Casita or Casitas owned by a Member, on condition that the Member shall have notified the Association Manager of the existence of such first mortgage lien.

Article 11 – Insurance. The Association shall maintain a broad form public liability policy, procured by the Association Manager on behalf of the Association, concerning all common area and all damage and injury caused by the negligence of the Association and/or any of its agents. All such insurance coverage shall be written in the name of the Association as trustee for each of the owners in proportion to the number of units owned by each Member respectively, and shall name the President and Association Manager as additional insureds. It shall be the individual responsibility of each owner at his/her expense to provide, if he/she sees fit, hazard insurance, homeowners liability insurance, theft and other insurance covering property damage and loss to property owned by such individual or entity.

Article 12 – Indemnity. The Association shall have the power to indemnify the President, the Association Manager and/or any agent of the Association who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, whether

civil, criminal, administrative or investigative (whether or not by or in the right of the Association) by reason of the fact that such person is or was President, Association Manager, or an agent of the Association, against all loss or expenses (including, but not limited to attorney fees and costs of the proceeding), judgments, fines and amounts paid in settlement actually and reasonably incurred by him/her in connection with or in defense of such action, suit or proceeding if the basis of such action, suit or proceeding is within such person's conduct specifically related to the fulfillment of his or her duties as President, Association Manager or agent of the Association, and further, if such person acted in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the Association; provided that with respect to (1) any criminal action or proceeding, such person had no reasonable cause to believe that his/her conduct was unlawful; or (2) any civil claim, issue or matter, such person shall not be guilty of gross negligence or willful misconduct in the performance of his/her duties to the Association. Termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that such person had reasonable cause to believe that his conduct was unlawful, that such person did not act in good faith or in a manner which he reasonably believed to be in or not opposed to the best interests of the Association, or that such person is guilty of gross negligence or willful misconduct in the performance of his duties to the Association, all such matters being determined solely and exclusively for the purpose of indemnification as herein provided.

Indemnification under the preceding paragraph shall be made by the Association only as authorized in each specific case upon the determination that indemnification of such person is proper in the circumstances because he/she has met the applicable standards of conduct as set forth herein. Such determination shall be made by the members at a meeting called for the purpose upon notice to the Members as provided herein; PROVIDED, HOWEVER, that a quorum for such meeting shall be however many Members are in attendance either in person or by proxy, and FURTHER PROVIDED that no person entitled to claim indemnity hereunder shall be entitled to vote on the issue of such determination and PROVIDED FURTHER that such determination shall require an affirmative vote by a majority of the members in attendance in person or by proxy qualified to vote on the issue. No Member, except those entitled to claim indemnity hereunder, shall be disqualified from voting on such issue because he or she is or was a party to any such action, suit or proceeding. Indemnification so determined may be paid in part before the termination of such action, suit or proceeding upon the receipt by the Association of an undertaking by or on behalf of the person claiming such indemnification to pay all sums so advanced if it is subsequently determined that he or she is not entitled thereto as provided herein.

To the extent that the President, Association Manager or agent of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding to which the Association shall have the power to indemnify pursuant to this Article 12 of these presents, indemnity of such person shall not require the vote provided for in the immediately preceding paragraph, but shall be granted according to the terms hereof.

Indemnification provided herein shall be exclusive of any and all other rights and claims to which those indemnified may be entitled as against the Association and/or as against any Association Manager, President or alleged agent thereof, and any request for payment hereunder shall be deemed a waiver of all such other rights, claims or demands as against the Association and/or as against any Association Manager, President or alleged agent of the Association.

The indemnification provided herein shall inure to the benefit of the heirs, executors, administrators and successors of any person entitled thereto under the provisions hereof.

Article 13 – Transfer to Public Agency. The Association shall have the right to dedicate or transfer all or any part of the common area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by vote of the Members at meeting of the Members as the governing body; PROVIDED, HOWEVER, that such dedication or transfer shall require the affirmative votes of eleven (11) Members.

Article 14 – Easement. There is a possibility that the structures of the existing Casitas as of the effective date of these presents may extend onto the common area to a minuscule extent, and/or that part of such structures may in some instances overhang the common area. An easement is hereby granted to the Casita owners involved to the effect that such existing extensions and/or overhangs are permitted under such easement; PROVIDED, HOWEVER, that this grant of easement does not apply to any extensions or overhangs not in existence at the effective date of these presents.

Article 15 – Nonprofit. This Association is not organized for profit. No Member shall receive or shall be lawfully entitled to receive any pecuniary benefit from the operation thereof and in no event shall any part of the funds or assets of the Association be paid as compensation to or distributed to or inure to the benefit of any member except as otherwise expressly provided herein. Upon dissolution of the Association by termination of this Document of Amendment pursuant to the provisions of Article 17 hereof, any funds belonging to the Association after the payment of all debts and obligations of the Association shall be disbursed to the then Casita owners as a refund of assessments paid, proportional to the number of Casitas owned, and the owners at the time of such termination shall become owners of an undivided interest in the common area, proportional to the number of Casitas owned.

Article 16 – Enforcement. The Association or any owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Document of Amendment. Failure by the Association or by 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.

Any assessment which is not paid within fifteen (15) days after the due date shall bear interest from the date of delinquency at the rate of seven percent (7%) per annum, and the Association may bring an action at law against the owner personally obligated to pay the same, or foreclose the lien against the property and interest, costs and reasonable attorney fees of any such action

shall be added to the amount of such assessment. Each such owner by acceptance of a deed to a lot has vested in Riverhill Las Casitas Association Unit Owners, or its agents, and owners who acquire deeds to a lot from and after the effective date of these presents do hereby vest in the said Association, or its agents, the right and power to bring all actions against its owner personally for the collection of such charges as a debt and to enforce the aforesaid lien by all methods available for the enforcement of such liens, including foreclosure by an action brought in the name of the Association in a like manner as a mortgage or deed of trust lien on the real property, and such owners have heretofore granted and/or do hereby grant to the Association a power of sale in connection with said lien. The lien provided for herein shall be in favor of the Association and shall be for the benefit of all of their lot owners. The Association, acting on behalf of the lot owners, shall have the power to bid in any interest foreclosed at foreclosure sale and to acquire and hold, lease, mortgage and convey the same; and to subrogate so much of its right to such liens as may be necessary or expedient to any insurance company continuing to give total coverage notwithstanding non-payment of such defaulting owner's portion of the premium. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the common area or abandonment of his/her lot.

Article 17 – Term and Termination. This Document of Amendment shall be effective from and after the 24th day of March, 2000, and, as amended, from time to time, shall continue in full force and effect to and including December 31, 2004. From and after this said date, this Document of Amendment, as amended, shall be automatically extended for successive periods of ten (10) years unless there is an affirmative vote to terminate this Document of Amendment by the owners of twelve (12) of the lots. Furthermore, this Document of Amendment may be terminated at any time if the owners of legal title to twelve (12) of the lots by affirmative vote elect to so terminate this Document of Amendment.

Article 18 – Amendment and General Provisions.

- a. **Amendment.** This Document of Amendment may be amended at the Annual Meeting of the Members or at a duly called meeting of the Members, upon the affirmative vote of nine of the Members. The exact terms of any proposed amendment must be furnished to all Members along with the notice of the meeting at which such amendment will be considered, and such amendment, if adopted, must be identical with the terms of the proposed amendment included with the notice of the meeting. Upon adoption of an amendment, the same will be promptly filed for record with the Deed Records of Kerr County, Texas, along with a copy of the minutes of the meeting at which the amendment was adopted, certified true and correct by the President or the Association Manager.
- b. **Severability.** Invalidation of any one of the provisions of this Document of Amendment by judgment or court order shall in no manner affect any other provision, which shall remain in full force and effect.
- c. **Gender and Grammar.** Singular whenever used herein shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the

provisions hereof to apply either to corporations, individuals, or other entities, men or women, shall in cases be assumed as though in all cases expressed.

We the undersigned Members of the Riverhill Las Casitas Association of Unit Owners do hereby certify that the foregoing Document of Amendment was adopted and approved by affirmative vote of each of the undersigned at a meeting of the Members of the Association which each of us attended in person or by proxy, after all Members received due notice of such meeting, which notice included a true and exact copy of the foregoing Document of Amendment.

Herbert G. Bench

APPROVED:

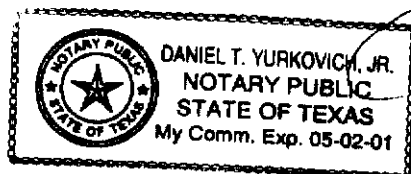
Michael Douville

Michael Douville, Association Manager

THE STATE OF TEXAS §

COUNTY OF KERR §

SUBSCRIBED AND SWORN TO BEFORE ME by the said
Herbert G. Bench, a Member of the Riverhill Las Casitas Association of Unit
Owners, on this the 20th day of November, 1999.



[Signature]
Notary Public, State of TEXAS

Filed by & Return To:

WALLACE, JACKSON, MACHANN,
WILLIAMS & DOUGLASS
820 Main St., Suite 100
Kerrville, Texas 78028-5300

FILED FOR RECORD

at 2:24 o'clock P.M.

MAR 24 2000

JANNETT PIEPER

Clerk County Court, Kerr County, Texas
Amma D. Tuck Deputy

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 }

I hereby certify that this instrument was FILED in the File Number Sequence on the date and at the time stamped hereon by me and was duly RECORDED in the Official Public Records of Real Property of Kerr County, Texas on

MAR 27 2000



Jarrett Pieper
COUNTY CLERK, KERR COUNTY, TEXAS

RECORD *Real Property*
VOL *1057* PG *40*
RECORDING DATE

MAR 27 2000



Jarrett Pieper
COUNTY CLERK, KERR COUNTY, TEXAS