LT1-81-20080159883-1

SCANNED

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS LAKEVIEW RANCH SUBDIVISION

THE STATE OF TEXAS §
§ KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF BEXAR §

THAT STUART ROAD 73.4, L.L.C., a Texas limited liability company ("Declarant"), is the sole owner of certain real property located in Bexar County, Texas, as more particularly described as the LAKEVIEW RANCH SUBDIVISION, a subdivision of record in Bexar County, Texas, according to the map or plat of record on August 1, 2008 in Volume 9594, Page 50 Deed and Plat Records of Bexar County, Texas (the "PROPERTY");

WHEREAS, Declarant desires to convey the Property subject to certain protective covenants, conditions, restrictions, liens, and charges hereinafter set forth; and

WHEREAS, Declarant desires to create and carry out a uniform plan for the improvement, development, and sale of the Property for the benefit of the present and future owners of the Property.

NOW, THEREFORE, it is hereby declared: (i) that all of the Property shall be held, sold, conveyed, and occupied subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with the Property and shall be binding on all parties having any right, title, or interest in or to the Property or any part thereof, their heirs, successors, and assigns, and shall inure to the benefit of each owner thereof; and (ii) that each contract or deed which may hereafter be executed with regard to the Property or any portion thereof shall conclusively be held to have been executed, delivered, and accepted subject to the following covenants, conditions, and restrictions regardless of whether or not the same are set out or referred to in said contract or deed.

ARTICLE I

LT2-13824-2972-22

DEFINITIONS

Unless the context otherwise specifies or requires the following words and phrases when used in this Declaration shall have the meanings hereinafter specified:

1.01. Annexation Area. "Annexation Area" shall mean and refer to real property adjacent to and abutting the land known as Lakeview Ranch Subdivision set forth in the Plat, which may be annexed and become a part of the Property and subject to this Declaration as provided herein.

1.02. Architectural Committee. "Architectural Committee" shall mean the committee created pursuant to these restrictions to review and approve plans for the construction of Improvements upon the Property.

1.03. Architectural Committee Rules. "Architectural Committee Rules" shall mean the rules and regulations adopted by the Architectural Committee, as the same are amended from time to time.

1.04. Articles. "Articles" shall mean the Articles of Incorporation of L. R. Lakeview Ranch Owners Association, Inc., which will be filed in the office of the Secretary of State of the State of Texas, as the same are from time to time amended.

1.05. Assessment. "Assessment" or "Assessments" shall mean assessment(s) levied by the Association under the terms and provisions of this Declaration.

1.06. Association. "Association" shall mean and refer to the L. R. Lakeview Ranch Owners Association, Inc., a Texas non-profit corporation created or to be created pursuant to the Articles.

1.07. Association Rules. "Association Rules" shall mean the rules and regulations adopted by the Board as the same may be amended from time to time.

1.08. Board. "Board" shall mean the Board of Directors of the Association.

1.09. Builder. "Builder" shall mean a third party purchaser or owner of a lot or lots who purchases such lot or lots for the sole purpose of building a single family residential home for resale. Under no circumstances will a Builder, or any of its officers, directors, employees or others associated with the Builder occupy any residence constructed on a lot, unless such a residence and lot are conveyed by deed to the individual occupying the residence.

1.10. Bylaws. "Bylaws" shall mean the Bylaws of the Association which may be adopted by the Board, as the same are from time to time amended.

1.11. Common Area and Facilities. "Common Area and Facilities" shall mean Lots and other properties, if any, designated by Declarant and conveyed to the Association along with any areas within public right-of-ways or easements that the Board deems necessary or appropriate to maintain for the common benefit of the Owners. Common Area and Facilities may be designated by Declarant and dedicated or otherwise conveyed to the Association from time to time and at any time. If and at the time Declarant annexes additional real property to the Property in accordance with Section 2.02 hereof, additional Common Area and Facilities may be designated. The Common Area and Facilities to be owned by the Association at the time of conveyance of the Lot is described as follows: the surface water detention facility and any improvements located thereon.

1.12. Declarant. "Declarant" shall mean Stuart Road 73.4, L.L.C., a Texas limited liability company, its duly authorized representatives or their respective successors or assigns; provided that any assignment of the rights of Declarant must be expressly set forth in writing and the mere conveyance of a portion of the Property without written assignment of the rights of Declarant shall not be sufficient to constitute an assignment of the rights of Declarant hereunder.

1.13. Declaration. "Declaration" shall mean this instrument as it may be amended from time to time.

1.14. Improvement. "Improvement" shall mean every structure and all appurtenances thereto of every type and kind, including but not limited to, buildings, outbuildings, storage sheds, patios, tennis courts, swimming pools, garages, storage buildings, fences, screening walls,

retaining walls, stairs, decks, landscaping, poles, signs, exterior air conditioning, water softener fixtures or equipment, and poles, pumps, wells, tanks, reservoirs, pipes, lines, meters, antennas, towers, and other facilities used in connection with water, sewer, gas, electric, telephone, regular or cable television, or other utilities.

1.15. Lot. "Lot" or "Lots" shall mean any parcel or parcels of land within the Property shown as a subdivided lot on the Plat of the Subdivision, together with all Improvements located thereon.

1.16. Member. "Member" or "Members" shall mean any person(s), entity or entities holding membership rights in the Association.

1.17. Mortgage. "Mortgage" or "Mortgages" shall mean any mortgage(s) or deed(s) of trust covering any portion of the Property given to secure the payment of a debt.

1.18. Mortgagee. "Mortgagee" or "Mortgagees" shall mean the holder or holders of any Mortgage or Mortgages.

1.19. Owner. "Owner" or "Owners" shall mean the person(s), entity or entities, including Declarant, holding a fee simple interest in any portion of the Property, but shall not include the Mortgagee of a Mortgage.

1.20. Person. "Person" or "Persons" shall mean any individual(s), entity or entities having the legal right to hold title to real property.

1.21. Plans and Specifications. "Plans and Specifications" shall mean any and all documents designed to guide or control the construction or erection of any Improvement, including but not limited to, those indicating location, size, shape, configuration, materials, site plans, excavation and grading plans, foundation plans, drainage plans, landscaping and fencing plans, elevation drawings, floor plans, specifications on all building products and construction techniques, samples of exterior colors, plans for utility services, and all other documentation or information relevant to such Improvement.

1.22. Plat. "Plat" shall mean the subdivision plat of Lakeview Ranch Subdivision, a subdivision of record in the Deed and Plat Records of Bexar County, Texas, as the same may be amended from time to time.

1.23. The Restrictions. The "Restrictions" shall mean this Declaration, as the same may be amended from time to time, together with the Architectural Committee Rules, the Association Rules, and the Articles and Bylaws.

1.24. Subdivision. "Subdivision" shall mean Lakeview Ranch, a subdivision in Bexar County, Texas, according to the Plat.

ARTICLE II

DEVELOPMENT OF THE PROPERTY

2.01. Development by Declarant. Declarant may divide or subdivide the Property into several areas, develop some of the Property, and, at Declarant's option, sell any portion of the Property free of these restrictions.

2.02. Addition of Land. Declarant may, at any time and from time to time, add land from within Annexation Area to the Property, in accordance with a staged development plan approved by the Veterans Administration ("VA") and the Federal Housing Administration ("FHA"). Upon such addition, this Declaration and the covenants, conditions, restrictions, and obligations set forth herein shall apply to the added land, and the rights, privileges, duties, and liabilities of the persons subject to this Declaration shall be the same with respect to the added land as with respect to the lands originally covered by this Declaration. In order to add lands to the Property hereunder, Declarant shall be required only to record in the Deed and Plat Records of Bexar County, Texas, a notice of addition of land containing the following provisions:

(a) A reference to this Declaration, which reference shall state the book and page numbers of the Bexar County Deed and Plat Records wherein this Declaration is recorded;

(b) A statement that the provisions of this Declaration shall apply to the added land;

and (c) A legal description of the added land.

Declarant shall submit a written request for approval of any annexation of land not included in the staged development plan previously approved by VA/FHA to the FHA and the VA accompanied by a copy of the Declaration of Annexation.

Notwithstanding anything contained herein to the contrary, Declarant shall only be permitted to add land to this Declaration without the consent of two-thirds of the Owners entitled to vote pursuant Section 6.03 hereof (exclusive of Declarant) until ten (10) years from the date of this Declaration.

ARTICLE III

GENERAL RESTRICTIONS

All of the Property shall be owned, held, encumbered, leased, used, occupied, and enjoyed subject to the following limitations and restrictions:

3.01. Subdividing. No Lot shall be further divided or subdivided, nor may any easements or other interests therein less than the whole be conveyed by the Owner thereof without the prior written approval of the Architectural Committee; provided, however, that when Declarant is the Owner thereof, Declarant may further divide and subdivide any Lot and convey any easements or other interests less than the whole, all without the approval of the Architectural Committee.

3.02. Hazardous Activities. No activities shall be conducted on the Property and no Improvements constructed on the Property which are or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms or fireworks shall be discharged upon the Property, no open fires shall be lighted or permitted except within safe and well-designed interior fireplaces, or in contained barbecue units while attended and in use for cooking purposes.

3.03. Insurance Rates. Nothing shall be done or kept on the Property which would increase the rate of insurance or cause the cancellation of insurance on any Lot or any of the Improvements located thereon.

3.04. Mining and Drilling. No portion of the Property shall be used for the purpose of mining, quarrying, drilling, boring, or exploring for or removing oil, gas, or other hydrocarbons, minerals of any kind, rocks, stones, sand, gravel, aggregate, or earth.

3.05. Noise. No exterior speakers, horns, whistles, bells, or other sound devices (other than security devices used exclusively for security purposes) shall be located, used, or placed on any of the Property. No noise or other nuisance shall be permitted to exist or operate upon any portion of the Property so as to be offensive or detrimental to any other portion of the Property or to its occupants. Notwithstanding the foregoing, any schools, fire stations, police stations, or similar public facilities may have exterior sound devices which are appropriate for their use.

3.06. Animals-Household Pets. No animals, including pigs, hogs, swine, poultry, fowl, wild animals, horses, cattle, sheep, goats, or any other type of animal not considered to be a domestic household pet within the ordinary meaning and interpretation of such words may be kept, maintained, or cared for on the Property. No Owner may keep on such Owner's Lot more than four (4) cats and dogs, in the aggregate, not more than two (2) of which may be dogs. No animal shall be allowed to make an unreasonable amount of noise, or to become a nuisance, and no domestic pets will be allowed on the Property other than on the Lot of its Owner unless confined to a leash. No animal may be stabled, maintained, kept, cared for, or boarded for hire or remuneration on the Property, and no kennels or breeding operation will be allowed. No animal shall be allowed to run at large, and all animals shall be kept within enclosed areas which must be clean, sanitary, and reasonably free of refuse, insects, and waste at all times. Such enclosed area shall be constructed in accordance with plans approved by the Architectural Committee, shall be of reasonable design and construction to adequately contain such animals in accordance with the provisions hereof, and shall be screened so as not to be visible from any other portion of the Property.

3.07. Rubbish and Debris. No rubbish or debris of any kind shall be placed or permitted to accumulate upon the Property, and no odors shall be permitted to arise therefrom so as to render the Property or any portion thereof unsanitary, unsightly, offensive, or detrimental to any other property or to its occupants. Refuse, garbage, and trash shall be kept at all times in covered containers, and such containers shall be kept within enclosed structures or appropriately screened from view. The Association shall contract with an independent disposal service to collect all garbage or other wastes, if such service is not provided by a governmental entity.

3.08. Maintenance. Each Owner shall keep all shrubs, trees, grass, and plantings of every kind on such Owner's Lot cultivated, pruned, free of trash, and other unsightly material. All Improvements upon any Lot shall at all times be kept in good condition and repair and adequately painted or otherwise maintained by the Owner of such Lot. Declarant, the Association, and the Architectural Committee shall have the right at any reasonable time to enter upon any Lot to replace, maintain, and cultivate shrubs, trees, grass, or other plantings as deemed necessary; to paint, repair, or otherwise maintain any Improvements in need thereof; and to charge the cost thereof to the Owner of the Lot in the same manner as provided for the Association in Section 6.04(e) hereof.

3.09. Lot Maintenance. In addition to the maintenance requirements of Section 3.08 each owner of a Lot will be responsible for the weed and grass control of such Lot prior to construction of improvements on the Lot. No owner may store materials on a Lot unless such materials are to be used within sixty (60) days in the construction of improvements on the Lot. No vehicles or trailers are to be parked on the Lot for any extended period of time prior to

construction of improvements on the Lot. In the event Lot owner fails to comply with this provision the Association may maintain the Lot and move and store at owner's expense any materials or vehicles placed on the Lot in violation of this provision. The Association may place a lien on the Lot for the costs of enforcing this provision.

3.10. Antennae. No exterior radio or television antenna or aerial or satellite dish receiver or other device designed to receive or transmit telecommunication signals, including, but not limited to, radio, television, or microwave signals which are intended for cable television, network television, or entertainment purposes which is visible from any other Lot or the street shall be erected or maintained on any Lot without obtaining the prior written consent of the Architectural Committee. The foregoing notwithstanding, in the event the absolute prohibition of such antenna or receivers is invalidated or held to be unenforceable in any respect, then no exterior radio or television antenna, satellite dish or similar device shall be permitted to be erected or placed on any Lot unless the same is screened from view from adjoining Lots, streets and other portions of the Subdivision.

3.11. Signs. No sign of any kind shall be displayed to the public view on any Lot without the prior written approval of the Architectural Committee, except for (i) signs which are part of Declarant's overall marketing or construction plans or activities for the Property and (ii) one (1) sign of not more than five (5) square feet, advertising any property within the Subdivision for sale or rent. All merchandising, advertising and sales programming shall be subject to the approval of the Architectural Committee.

3.12. Tanks. The Architectural Committee shall have the right to approve the location of any tank used or proposed in connection with a single family residential structure, including tanks for storage of fuel, water, oil, or LPG, and including swimming pool filter tanks. No elevated tanks of any kind shall be erected, placed or permitted on any Lot. All tanks shall be screened so as not to be visible from any other portion of the Property.

3.13. Temporary Structures. No tent, shack, or other temporary building, improvement, or structure shall be placed upon the Property without the prior written approval of the Architectural Committee; provided, however, that temporary structures necessary for storage of tools and equipment, and for office space for architects, builders, and foremen during actual construction may be maintained with the prior approval of Declarant, approval to include the nature, size, duration, and location of such structure. Notwithstanding any provision in this Declaration to the contrary, an Owner shall be permitted, without Architectural Committee approval, to erect one (1) outbuilding on the Owner's Lot if (i) the surface area of the pad on which the outbuilding is placed is less than or equal to eighty (80) square feet, (ii) the height of the outbuilding, measured from the surface of the Lot to the highest portion of the outbuilding is less than or equal to six (6) feet, (iii) the outbuilding is constructed within an area completely enclosed by a privacy fence of not less than six (6) feet in height, (iv) the exterior of the outbuilding is constructed of the same or substantially similar materials as the exterior of any residence located on the Lot, and (v) the outbuilding is constructed within building setback lines in accordance with applicable building codes of the governmental entity having jurisdiction over the Property. The Architectural Committee shall be entitled to determine, in its sole and absolute discretion, whether an outbuilding constructed on any Lot complies with the foregoing requirements relating to size, height, fence enclosure and construction materials.

3.14. Unsightly Articles; Vehicles. No article deemed to be unsightly by the Architectural Committee shall be permitted to remain on any Lot so as to be visible from

adjoining property or from public or private thoroughfares. Without limiting the generality of the foregoing, trailers, graders, trucks other than pickups, boats, tractors, campers, wagons, buses, motorcycles, motor scooters, all-terrain vehicles and garden maintenance equipment shall be kept at all times except when in actual use, in enclosed structures or screened from view and no repair or maintenance work shall be done on any of the foregoing, or on any automobile (other than minor emergency repairs), except in enclosed garages or other structures. Each single family residential structure constructed within the Property shall have sufficient garage space, as approved by the Architectural Committee, to house all vehicles to be kept on the Lot. Lot Owners shall not keep more than two (2) automobiles in such manner as to be visible from any other portion of the Property for any period in excess of seventy-two (72) hours. No automobiles or other above-mentioned articles or vehicles may be parked overnight on any roadway within the Property. Service areas, storage areas, compost piles and facilities for hanging, drying or airing clothing or household fabrics shall be appropriately screened from view, and no lumber, grass, plant waste, shrub or tree clippings, metals, bulk materials, scrap, refuse or trash shall be kept, stored, or allowed to accumulate on any portion of the Property except within enclosed structures or appropriately screened from view. No (i) racing vehicles, or (ii) other vehicles (including, without limitation, motorcycles or motor scooters) which are inoperable or do not have a current license tag shall be permitted to remain visible on any Lot or to be parked on any roadway within the Subdivision. No commercial vehicles larger than a standard three-quarter (3/4) ton pickup truck or standard two-axle passenger van shall be permitted to remain on any Lot or to be parked on any roadway within the Subdivision.

3.15. Mobile Homes, Travel Trailers, and Recreational Vehicles. No mobile homes shall be parked or placed on any Lot or used as a residence, either temporary or permanent, at any time, and no motor homes, travel trailers or recreational vehicles shall be parked on or near any Lot so as to be visible from adjoining property or from public or private thoroughfares at any time.

3.16. Window Treatment. No aluminum foil, reflective film or similar treatment or blankets and sheets shall be placed on any windows or glass doors.

3.17. No Window Units. No window or wall type air conditioner which is visible from any street shall be permitted to be used, placed or maintained on or in any structure in any part of the Property.

3.18. Compliance with the Restrictions. Each Owner, his family, occupants of a Lot, tenants, and the guests, invitees, and licensees of the preceding shall comply strictly with the provisions of the Restrictions as the same may be amended from time to time. Failure to comply with any of the Restrictions shall constitute a violation of this Declaration, and shall give rise to a cause of action to recover sums due for curing the same, fines levied by the Association, actual and statutory damages, and injunctive relief, or a combination thereof. The Restrictions may be enforced by any Owner, the Association, Declarant, the City in which the Lot is located, if any, or, if applicable, the Municipal Utility District having jurisdiction over the Property, provided, however, only the Association shall have the right to levy a fine for the violation of the Restrictions or to bring any action for the collection of any Assessments, other than a Violation Assessment, as provided for herein. In such action, the parties agree to waive any bond required to be placed by the Association, the City where the Lot is located, if any, or Declarant, or if waiver is not allowed by the court, to set the bond in an amount not exceeding $100.00. Each Owner is strictly liable for the noncompliance of his family, occupants of a Lot, tenants, and the guests, invitees, and licensees of the preceding. To aid in the prevention of nonoompliance, each Owner shall provide to his tenants, who shall sign a receipt for the same, a copy of the

Restrictions and shall provide in each lease of a Lot, which lease shall be in writing, that a violation of the Restrictions that is not cured within seven days of the first notice sent by the Association, shall constitute a breach of the lease. Each Owner, by acceptance of a deed to a Lot, hereby irrevocably appoints the Association, the City where the Lot is located, if any, and Declarant, as his attorney-in-fact to terminate the right of occupancy under the lease and evict any tenant or other occupant, not a part of the Owner's family living with the Owner on the Lot, in the event of an uncured violation. Said attorney-in-fact shall have the right, but not the duty, to bring such eviction proceeding. The cost of curing any violation of the Restrictions, any fine levied by the Association, and any attorney's fees, court costs, expenses of litigation, if incurred by the Association or Declarant, whether the matter proceeds to suit or not, shall be a Violation Assessment against the Lot and the Owner and shall automatically become a part of the Assessments and secured by the lien therefore.

3.19. Liability of Owners for Damage to Common Area and Facilities. No Owner shall in any way alter, modify, add to or otherwise perform any work upon the Common Area and Facilities without the prior written approval of the Board. Each Owner shall be liable to the Association for any and all damages to (i) the Common Area and Facilities, or (ii) any Improvements constructed on any Lot, the maintenance of which has been assumed by the Association, which damages were caused by the neglect, misuse or negligence of such Owner or Owner's family, or by any tenant or other occupant of such Owner's Lot, or any guest or invitee of such Owner. The full cost of all repairs of such damage shall be an Assessment against such Owner's Lot, secured by a lien against such Owner's Lot and collectable in the same manner as provided for in Section 8.06 hereof, including, but not limited to foreclosure of such lien.

3.20. No Warranty of Enforceability. While Declarant has no reason to believe that any of the restrictive covenants or other terms and provisions contained in this Article or elsewhere in this Declaration are or may be invalid or unenforceable for any reason or to any extent, Declarant makes no warranty or representation as to the present or future validity or enforceability of any such restrictive covenants, terms, or provisions. Any Owner acquiring a Lot in reliance on one or more of such restrictive covenants, terms, or provisions shall assume all risks of the validity and enforceability thereof and, by acquiring the Lot, agrees to hold Declarant harmless therefrom.

ARTICLE IV

USE AND CONSTRUCTION RESTRICTIONS

4.01. Approval for Construction. No Improvements shall be constructed upon any Lot without the prior written approval of the Architectural Committee.

4.02. Use. All Lots, unless dedicated to the Association as Common Area and Facilities, shall be improved and used solely for single family residential use, inclusive of an attached private garage for not more than three (3) four-wheeled vehicles, fencing and such other Improvements as are necessary or customarily incident to residential use.

4.03. Rentals. Nothing in this Declaration shall prevent the rental of any Lot and the Improvements thereon by the Owner thereof for residential purposes; provided that all rentals must be for terms of at least six (6) months.

4.04. Dwelling Height. No single family dwelling greater than two (2) stories in height may be constructed on any Lot without the prior written approval of the Architectural Committee.

4.05. Fences and Sidewalks. Fences shall be six (6) feet in height and shall be constructed with new materials, select grade cedar or spruce pickets and with treated pine or cedar railings and posts. Installation of such fences may be completed without the approval of the Architectural Committee. The design, construction materials, height and location of all other fences shall otherwise be approved by the Architectural Committee. In no event shall any fence or wall be erected, placed or altered on a lot nearer to the front street than the front wall of the single family dwelling which is located on the Lot and no hedge may be installed or maintained more than three (3) feet in front of the wall of the single family dwelling which is located on the Lot and closest to the front property line of the Lot. Construction of gates or other access openings in subdivision perimeter fencing shall not be allowed on any Lot. The Owner of each Lot shall construct, at its sole cost and expense and prior to occupying any improvement located on the Lot, a sidewalk, located and designed in conformance with the Plat, to the extent the Plat requires a sidewalk on such Owner's Lot. The provision in the foregoing sentence may not be amended or altered without the express written consent of the Planning Department of San Antonio, Texas.

4.06. Dwelling Size; Building Materials. All single-story dwellings shall contain not less than One Thousand Five Hundred (1,500) square feet of enclosed living space, exclusive of porches (open or covered), decks, garages, and carports. All two-story dwellings shall contain not less than Nine Hundred (900) square feet of enclosed living space, exclusive of porches (open or covered), decks, garages, and carports. All building materials shall be approved by the Architectural Committee, and only new building materials (except for used brick) shall be used for constructing any Improvements. Exposed metal roof decks which reflect light in a glaring manner such as galvanized steel sheets are specifically prohibited. Other roofing materials may be used with the prior written consent of the Architectural Committee, which may specify a minimum quality or grade of materials. All projections from a dwelling or other structure, including but not limited to chimney flues, vents, gutters, downspouts, utility boxes, porches, railings and exterior stairways shall match the color of the surface from which they project, or shall be of a color approved by the Architectural Committee. No highly reflective finishes (other than glass, which may not be mirrored) shall be used on exterior surfaces (other than surfaces of hardware fixtures), including, without limitation, the exterior surfaces of any Improvements.

The masonry requirements for single and two-story dwellings shall be as follows:

One-Story Dwellings. The front exterior wall and the two side walls of all single family dwellings shall be constructed of masonry, exclusive of roofs, eaves, soffits, windows, doors, gables, garage doors and trim work. The rear wall may be constructed of quasi-masonry material only.

Two-Story Dwellings. The front exterior wall of the first floor of all single family dwellings up to eight (8) feet shall be constructed of masonry, exclusive of roofs, eaves, soffits, windows, doors, gables, garage doors and trim work. The rear wall may be constructed of quasi-masonry material only, and the second floor exterior of the front and side walls may be constructed of masonry or quasi-masonry materials.

Masonry shall mean, for purposes of this paragraph, brick, rock or stucco exteriors, only.

Hardy-planks or similar cement fiber products shall be considered "quasi-masonry" for purposes of this paragraph.

4.07. Alteration or Removal of Improvements. Any construction, other than normal maintenance, which in any way alters the exterior appearance of any Improvement, or the removal of any Improvement shall be performed only with the prior written approval of the Architectural Committee.

4.08. Garbage Containers. The Architectural Committee shall have the right to specify a specific location on each Owner's Lot in which garbage containers must be placed for trash collection service.

4.09. Drainage. There shall be no interference with the established drainage patterns over any of the Property, except by Declarant, unless adequate provision is made for proper drainage and such provision is approved by the Architectural Committee.

4.10. Construction Activities. This Declaration shall not be construed so as to unreasonably interfere with or prevent normal construction activities during the construction of Improvements by an Owner (including Declarant) upon any Lot within the Property. Specifically, no such construction activities shall be deemed to constitute a nuisance or a violation of this Declaration by reason of noise, dust, presence of vehicles or construction machinery, posting of signs or similar activities, provided that such construction is pursued to completion with reasonable diligence and conforms to usual construction practices in the area. In the event that construction upon any Lot does not conform to usual practices in the area as determined by the Architectural Committee in its sole good faith judgment, the Architectural Committee shall have the authority to seek an injunction to stop such construction. In addition, if during the course of construction upon any Lot there is excessive accumulation of debris of any kind which would render the Lot or any portion thereof unsanitary, unsightly, offensive, or detrimental to it or any other portion of the Property, then the Architectural Committee may contract for or cause such debris to be removed, and the Owner of the Lot shall be liable for all expenses incurred in connection therewith.

4.11. Landscaping. The front yards of all Lots, from the front property line to the front wall of the house, shall be fully sodded with St. Augustine, Bermuda, Prairie Buffalo Grass or other sod approved by the Architectural Committee prior to the occupancy of the residence located on the Lot.

ARTICLE V

COMMON AREA AND FACILITIES

5.01. Common Area and Facilities. No land within any Common Area and Facilities shall be improved, used or occupied, except in such manner as shall have been approved by a two-thirds vote of each class of Members who are voting in person or by proxy at a meeting duly called for such purpose, with the same quorum as required for Special Assessments herein. Such required approval shall extend to the nature and type of use, occupancy and improvement. Notwithstanding the foregoing provision, during the time that Declarant owns Lots within the Subdivision, Declarant shall have the right to construct Improvements within the Common Areas, including park areas, if any, without the consent of the Members or the Association. Access to any Common Area and Facilities may be limited to persons currently paying Assessments, fees and other charges, or otherwise conditioned or restricted, or made available to non-owners, all upon such terms and conditions as the Board may determine.

5.02. Condemnation. If all or any part of the Common Area and Facilities is taken or threatened to be taken by eminent domain or by power in the nature of eminent domain (whether permanent or temporary), the Association shall be entitled to participate in the proceedings incident thereto. The expense of participation in such proceedings by the Association shall be a common expense to be paid out of Assessments. The Association is specifically authorized to obtain and to pay for such assistance from attorneys, appraisers, architects, engineers, expert witnesses and other persons as the Association, in its discretion, deems necessary or advisable to aid it in any matters relating to such proceedings. All damages or awards for any such taking shall be deposited with the Association. The Association, in addition to the general powers set out herein, shall have the sole authority to determine whether to contest or defend any such proceedings, to make any settlement with respect thereto or to convey such property to the condemning authority in lieu of condemnation.

ARTICLE VI

THE ASSOCIATION

6.01. Organization. The Declarant shall, at such time as Declarant deems appropriate, cause the formation and incorporation of the Association. The Association shall be a nonprofit corporation created for the purposes, charged with the duties, and vested with the powers prescribed by law or set forth in its Articles and Bylaws or in this Declaration. Neither the Articles nor Bylaws shall for any reason be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration.

6.02. Membership. Any Person upon becoming an Owner shall automatically become a Member of the Association. Membership shall be appurtenant to and shall run with the ownership of the Lot which qualifies the Owner thereof for membership, and membership may not be severed from, or in any way transferred, pledged, mortgaged, or alienated except together with the title to the Lot.

6.03. Voting Rights. There shall be two classes of membership for purpose of voting on any Association matter. The Class A Members shall include each Owner (excluding Declarant) of a Lot within the Property and each such Owner shall have one (1) vote for each Lot owned. The Class B Member shall be Declarant, and Declarant shall have three (3) votes for each Lot owned by Declarant. The Class B Membership shall convert to a Class A Membership upon the earlier to occur of (i) Declarant owns less than twenty-five percent (25%) of the Property, or (ii) ten (10) years from the date of this Declaration.

6.04. Powers and Authority of the Association. The Association shall have the powers of a Texas nonprofit corporation, subject only to such limitations upon the exercise of such power as are expressly set forth in this Declaration. It shall further have the power to do and perform any and all acts which may be necessary or proper for or incidental to the exercise of any of the express powers granted to it by the laws of Texas or by this Declaration. Without in any way limiting the generality of the two preceding sentences, the Association and the Board, acting on behalf of the Association, shall have the power and authority at all times as follows:

(a) Rules and Bylaws. To make, establish and promulgate, and in its discretion to amend or repeal and re-enact the Association Rules and Bylaws. The content of the Association Rules and Bylaws may be established by the Board, provided the same are not in conflict with this Declaration.

(b) Insurance. To obtain and maintain in effect policies of insurance which, in the opinion of the Board, are reasonably necessary or appropriate to carry out the Association functions.

(c) Records. To keep books and records of the Association's affairs.

(d) Assessments. To levy assessments as provided in Article VIII below. An assessment is defined as that sum which must be levied in the manner and against the property set forth in Article VIII hereof in order to raise the total amount for which the levy in question is being made.

(e) Right-Of-Entry and Enforcement. To enter at any time in an emergency or in a non-emergency, after twenty-four (24) hours written notice, without being liable to any Owner, upon any Lot and into any Improvement thereon, for the purpose of enforcing the Restrictions or for the purpose of maintaining or repairing any area, Improvement, or other facility to conform to the Restrictions, and the expense incurred by the Association in connection with the entry upon any Lot and the maintenance and repair work conducted thereon shall be a personal obligation of the Owner of the Lot entered upon, shall be a lien upon the Lot entered upon and the Improvements thereon, and shall be enforced in the same manner and to the same extent as provided in Article VIII hereof for regular and special Assessments. The Association shall have the power and authority from time to time, in its own name and on its own behalf, or in the name of and on behalf of any Owner who consents thereto, to commence and maintain actions and suits to enforce, by mandatory injunction or otherwise, or to restrain and enjoin, any breach or threatened breach of the Restrictions. The Association is also authorized to settle claims, enforce liens, and take all such action as it may deem necessary or expedient to enforce the Restrictions; provided, however, that the Board shall never be authorized to expend any Association funds for the purpose of bringing suit against Declarant, its successors, or assigns.

(f) Legal and Accounting Services. To retain and pay for legal and accounting services necessary or proper in the operation of the Association.

6.05. Common Area and Facilities. Subject to and in accordance with this Declaration, the Association, acting through the Board, shall have the following duties:

(a) To accept, own, operate and maintain all Common Area and Facilities which may be conveyed or leased to it by Declarant, together with all Improvements of whatever kind and for whatever purpose which may be located in said areas; and to accept, own, operate and maintain all other property, real or personal, conveyed or leased to the Association by Declarant and to maintain in good repair and condition all lands, improvements and other Association property owned by or leased to the Association. Such maintenance shall include, but not be limited to, painting, mowing and removal of rubbish or debris of any kind.

(b) To pay all real and personal property taxes and other taxes and Assessments levied upon or with respect to Common Area and Facilities or any other property owned by or leased to the Association to the extent that such taxes and Assessments are not levied directly upon the Members of the Association. The Association shall have all rights granted by law to contest the legality of the amount of such taxes and Assessments.

(c) To take out and maintain current a policy of liability insurance coverage to cover accidental bodily injury and/or death caused by the use and enjoyment of the Common Area and Facilities. Such insurance shall be in an amount as the Board shall deem appropriate.

ARTICLE VII

ARCHITECTURAL COMMITTEE

7.01. Membership of Architectural Committee. The Architectural Committee shall consist of not more than three (3) voting Members ("Voting Members"), and such additional nonvoting Members serving in an advisory capacity ("Advisory Members") as the Voting Members deem appropriate. The following persons are hereby designated as the initial Voting Members of the Architectural Committee: Steve Miller, Michael H. Gulley and Loren Gulley.

7.02. Action by Architectural Committee. Items presented to the Architectural Committee shall be decided by a majority vote of the Voting Members.

7.03. Advisory Members. The Voting Members may from time to time designate Advisory Members.

7.04. Terms. Each Voting Member of the Architectural Committee shall hold office until such time as he has resigned or has been removed or his successor has been appointed, as provided herein. In the event of death or resignation of any Voting Member, the remaining Voting Member or Voting Members shall have full authority to act until a replacement Voting Member or Voting Members have been designated.

7.05. Appointment. Declarant, its successors or assigns, shall have the right to appoint and remove all Voting Members of the Architectural Committee so long as there is a Class B Membership. Declarant may assign this right to the Board at any time prior to the termination of the Class B Membership by written instrument. Thereafter, the Board shall have the right to appoint and remove all Voting Members of the Architectural Committee.

7.06. Adoption of Rules. The Architectural Committee may adopt such procedural and substantive rules, not in conflict with this Declaration, as it may deem necessary or proper for the performance of its duties, including but not limited to, a building code, a fire code, a housing code, and other similar codes as it may deem necessary and desirable.

7.07. Review of Proposed Construction. Whenever in this Declaration the approval of the Architectural Committee is required, it shall have the right to consider all of the Plans and Specifications for the Improvement or proposal in question and all other facts which, in its sole discretion, are relevant. Except as otherwise specifically provided herein, prior to the commencement of any construction of any Improvement on the Property or any portion thereof, the Plans and Specifications therefor shall be submitted to the Architectural Committee, and construction thereof may not commence unless and until the Architectural Committee has approved such Plans and Specifications in writing. The Architectural Committee shall consider and act upon any and all Plans and Specifications submitted for its approval pursuant to this Declaration, and perform such other duties assigned to it by this Declaration or as from time to time shall be assigned to it by the Board, including the inspection of construction in progress to assure its conformance with Plans and Specifications approved by the Architectural Committee. The Architectural Committee may review Plans and Specifications submitted for its review and such other information as it deems proper. Until receipt by the Architectural Committee of any information or documents deemed necessary by the Architectural Committee, it may postpone review of any Plans and Specifications submitted for approval. No Improvement shall be allowed upon any Lot which would unreasonably obstruct the view from any other portion of the

Property, and no Improvement shall be allowed on any Lot which is of such size or architectural design or involves the use of such landscaping, color schemes, exterior finishes, and materials and similar features as to be incompatible with development within the Property and the surrounding area. The Architectural Committee shall have the authority to disapprove any proposed Improvement based upon the restrictions set forth in the preceding sentence and the decision of the Architectural Committee shall be final and binding so long as it is made in good faith. The Architectural Committee shall not be responsible for reviewing any proposed Improvement, nor shall its approval of any Plans or Specifications be deemed approval thereof from the standpoint of structural safety, engineering soundness, or conformance with building or other codes.

7.08. Variance. The Architectural Committee may grant variances from compliance with any of the provisions of this Declaration, when, in the opinion of the Architectural Committee, in its sole and, absolute discretion, such variance will not impair or detract from the high quality development of the Property and such variance is justified due to unusual or aesthetic considerations or unusual circumstances. Anything herein to the contrary notwithstanding, the Architectural Committee is hereby authorized, at its sole discretion, to waive any requirements relating to garages (including size), carports, dwelling size, masonry requirements, fences and setbacks and such decision shall be binding on all Owners of Property encumbered by this Declaration. All variances must be evidenced by written instrument in recordable form, and must be signed by at least two (2) of the Voting Members of the Architectural Committee. The granting of such variance shall not operate to waive or amend any of the terms or provisions of the covenants and restrictions applicable to the Lots for any purpose except as to the particular property and the particular instance covered by the variance, and such variance shall not be considered to establish a precedent or future waiver, modification or amendment of the terms and provisions hereof.

7.09. Actions of the Architectural Committee. The Architectural Committee may, by resolution, unanimously adopted in writing, designate one or two of its members or an agent acting on its behalf to take any action or perform any duties for and on behalf of the Architectural Committee. In the absence of such designation, the vote of the majority of all of the members of the Architectural Committee taken without a meeting shall constitute an act of the Architectural Committee. Notwithstanding anything to the contrary, in the event the Architectural Committee fails to respond to a request for approval of Plans and Specifications within thirty (30) days of receipt of all required information, the Architectural Committee shall be deemed to have approved such Plans and Specifications.

7.10. No Waiver of Future Approvals. The approval or consent of the Architectural Committee to any Plans or Specifications for any work done or proposed or in connection with any other matter requiring the approval or consent of the Architectural Committee shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any Plans and Specifications, or other matter whatever, subsequently or additionally submitted for approval or consent by the same or a different person.

7.11. Work in Progress. The Architectural Committee, at its option, may inspect all work in progress to insure compliance with approved Plans and Specifications.

7.12. Address. Plans and Specifications shall be submitted to the Architectural Committee at 1550 NE Loop 410, Suite 224, San Antonio, Texas 78209, or such other address as may be designated from time to time.

7.13. Fees. The Architectural Committee shall have the right to require a reasonable submission fee for each set of Plans and Specifications submitted for its review.

ARTICLE VIII

FUNDS AND ASSESSMENTS

8.01. Assessments.

(a) The Association may from time to time levy Assessments against each Lot that has been improved. The level of Assessments shall be equal and uniform between all improved Lots, except for Violation Assessments levied in accordance with Section 3.17. For the purposes of this section, a Lot shall not be considered to be "improved" until a house has been constructed thereon. No Assessments hereunder shall be levied against any unimproved Lot, except for Violation Assessments levied against a Lot Owner, other than Declarant.

(b) Where the obligation to pay an Assessment first arises after the commencement of the year or other period for which the Assessment was levied, the Assessment shall be prorated as of the date when said obligation first arose in proportion to the amount of the Assessment year or other period remaining after said date.

(c) Each unpaid Assessment, together with such interest thereon and costs of collection thereof as hereinafter provided, shall be the personal obligation of the Owner of the Lot against which the Assessment fell due, and shall become a vendor's lien against each such Lot and all Improvements thereon. The Association may enforce payment of such Assessments in accordance with the provisions of this Article.

8.02. Maintenance Fund. The Board shall establish a maintenance fund into which shall be deposited all monies paid to the Association and from which disbursements shall be made in performing the functions of the Association under this Declaration. The funds of the Association must be used solely for purposes authorized by this Declaration, as it may from time to time be amended.

8.03. Regular Annual Assessments. Prior to the beginning of each fiscal year, the Board shall estimate the expenses to be incurred by the Association during such year in performing its functions under the Restrictions, which shall be limited to the costs incurred pursuant to the powers granted in Section 6.05 and the cost of enforcing the Restrictions, and a reasonable provision for contingencies and appropriate replacement reserves, less any expected income and any surplus from the prior year's fund. Assessments sufficient to pay such estimated net expenses shall then be levied as herein provided, and the level of Assessments set by the Board shall be final and binding so long as it is made in good faith. If the sums collected prove inadequate for any reason, including nonpayment of any individual Assessment, the Association may at any time and from time to time levy further Assessments in the same manner as aforesaid. All such regular Assessments shall be due and payable to the Association at the beginning of the fiscal year or during the fiscal year in equal monthly installments on or before the first day of each month, or in such other manner as the Board may designate in its sole and absolute discretion. In no event shall the regular annual Assessments per Lot for the year 2009 exceed the sum of $200.00. Thereafter, at the Board's sole and absolute discretion, the maximum regular annual Assessments per Lot permitted hereunder may be increased by no more than five percent (5%) per year, unless approved by at least two-thirds of each class of Members who are voting in person or by proxy at a meeting duly called for such purpose, with the same quorum as required

for Special Assessments herein. Notwithstanding the foregoing, the Declarant shall pay assessments at the rate of one-eighth (1/8) of the regular annual assessments, so long as there is a Class B membership, and Declarant hereby covenants and agrees that in the event that the annual maintenance fund revenues are insufficient to pay the operating expenses of the Association, it shall provide the funds necessary to make up the deficit, within thirty (30) days of receipt of request for payment thereof from the Association. In the alternative, Declarant shall have the right to pay full Class A assessments on its Lots without relinquishing its Class B status and shall then be excused from the payment of any budget deficits.

8.04. Special Assessments. In addition to the regular annual Assessments provided for above, the Board may levy special Assessments to enable the Board to carry out the mandatory functions of the Association under the Restrictions, upon the approval of at least two-thirds of the Members at a meeting called for that purpose, by adequate notice, with at least sixty percent (60%) of the Members or their proxies present at said meeting. If sixty percent (60%) of the Members do not attend, a second meeting may be called with the same notice and the quorum needed for said second meeting shall be thirty percent (30%) of the Members or their proxies.

8.05. Owner's Personal Obligation for Payment of Assessments. The regular and special Assessments provided for herein shall be the personal and individual debt of the Owner of the Lot covered by such Assessments. No Owner may exempt himself from liability for such Assessments. In the event of default in the payment of any such Assessment, the Owner of the Lot shall be obligated to pay interest at the rate of six percent (6%) per annum on the amount of the Assessment, from the due date thereof, together with all costs and expenses of collection, including reasonable attorneys' fees.

8.06. Assessment Lien and Foreclosure.

(a) All sums assessed in the manner provided in this Article but unpaid shall, together with interest as provided in Section 8.05 hereof and the cost of collection, including attorneys' fees as herein provided, thereupon become a continuing lien and charge on the Lot covered by such Assessment, which shall bind such Lot in the hands of the Owner, and such Owner's heirs, devisees, personal representatives, successors or assigns. The aforesaid lien shall be superior to all other liens and charges against the said Lot, except only for tax liens and all sums unpaid on a first Mortgage lien of record, securing in either instance sums borrowed for the improvement of the Lot in question. Any foreclosure by the holder of a first Mortgage lien of record shall terminate the liability of the Lot for delinquent, pre-foreclosure Association Assessments. The Association shall have the power to subordinate the aforesaid Assessment lien to any other lien. Such power shall be entirely discretionary with the Board and such subordination must be signed by a duly authorized officer of the Association. To evidence the aforesaid Assessment lien, the Association may prepare a written notice of Assessment lien setting forth the amount of the unpaid indebtedness, the name of the Owner of the Lot covered by such lien and a description of the Lot. Such notice shall be signed by one of the officers of the Association and shall be recorded in the office of the County Clerk of Bexar County, Texas. Such lien for payment of Assessments shall attach with the priority above set forth from the date that such payment becomes delinquent and may be enforced by the foreclosure on the defaulting Owner's Lot by the Association in like manner as a mortgage on real property subsequent to the recording of a notice of Assessment lien as provided above, or the Association may institute suit against the Owner personally obligated to pay the Assessment and/or for foreclosure of the aforesaid lien judicially. In any foreclosure proceeding, whether judicial or not judicial, the Owner shall be required to pay the costs, expenses, and reasonable attorneys' fees incurred. The Association shall have the power to bid on the property at foreclosure or other legal sale and to acquire, hold, lease,

mortgage, convey, or otherwise deal with the same. Upon the written request of any Mortgagee, the Association shall report to said Mortgagee any unpaid Assessments remaining unpaid for longer than thirty (30) days after the same are due.

(b) In addition to foreclosure by appropriate judicial proceedings and subject to the limitations imposed by Section 209.009 of the Texas Property Code or any future amendments or re-codification thereof, the Association may foreclose its lien against each Lot, in like manner as a Deed of Trust or contractual lien by non-judicial foreclosure in accordance with Section 51.002 of the Texas Property Code or any future amendments or re-codification thereof, without waiving its right to also proceed against the Owner on the Owner's personal liability. Each Owner, by acceptance of a deed to a Lot hereby expressly vests in the Board of Directors of the Association a power of sale to enforce the lien. The Board may exercise its power of sale by appointing an Agent or Agents, who may be removed and replaced at any time without any formality other than a written appointment, signed by the president or a vice president of the Association. The Board, acting on behalf of the Association, and acting through its appointed Agent or Agents, shall have the power to bid upon any Lot foreclosed at foreclosure sale and to acquire and hold, lease, mortgage and to convey the same from and after the time that a foreclosure sale is conducted. The recitals in the conveyance to the purchaser or purchasers shall be full and conclusive evidence of the truth of the matters therein stated, and all prerequisites to said sale shall be presumed to have been performed, and such sale and conveyance shall be conclusive against the Owner, his heirs, assigns, executors, and administrators. In the event any sale is made of a Lot, the former Owner, his tenants and other persons in possession under him, shall forthwith upon the making of the sale, surrender and deliver possession of the Lot to the purchaser at the sale, and in the event of their failure to do so, any occupant shall become a tenant at sufferance of the purchaser at the foreclosure sale and the purchaser shall have the right to evict any persons by a proceeding brought in the Justice of the Peace Court where the Lot is situated. Any personal property left on the premises and not reclaimed within 10 days from the date of sale, shall be conclusively presumed to have been abandoned by the former Owner, his tenants or other parties in possession under him.

(c) In addition to the preceding, the Association is hereby given an assignment of rents and may directly collect from any tenant rents that are owed to an Owner in any amount that is owed to the Association that has not been paid by the Owner within thirty (30) days of written demand to the Owner at the last known address for the Owner as reflected in the books of the Association, such demand being effective upon being placed in the mail, certified mail, return receipt requested, postage prepaid. The Association is granted the right, without an obligation, to send a notice of Owner's non-payment to any lienholder on a Lot.

ARTICLE IX

EASEMENTS

9.01. Reserved Easements. All dedications, limitations, restrictions, and reservations shown on the Plat and all grants and dedications of easements, rights-of-way, restrictions, and related rights, made prior to the Property becoming subject to this Declaration are incorporated herein by reference and made a part of this Declaration for all purposes as if fully set forth herein and shall be construed as being adopted in each and every contract, deed, or conveyance executed or to be executed by or on behalf of Declarant conveying any part of the Property. Declarant reserves the right to make changes in and additions to the said easements and for the purpose of most efficiently and economically developing the Property .Further, Declarant

reserves the right, without the necessity of the joinder of any Owner or other Person, to grant, dedicate, reserve or otherwise create, at any time or from time to time, easements for public utility purposes (including without limitation, gas, water, electricity, telephone and drainage) in favor of any Person along any front, rear, or side boundary line of any Lot, which said easements shall have a maximum width of ten (10) feet (provided, however, that easements along side yard lot lines shall straddle such lot lines with five (5) feet on each of the adjoining Owner's Lots).

9.02. Installation and Maintenance. There is hereby created an easement upon, across, over, and under all of the Property for ingress and egress in connection with installing, replacing, repairing, and maintaining all utilities, including but not limited to, water, wastewater, gas, telephones, and electricity lines and appurtenances thereto. By virtue of this easement, it shall be expressly permissible for the utility companies and other entities supplying service to install and maintain pipes, wires, conduits, service line, or other utility facilities or appurtenances thereto, on, above, across and under the Property, within the public utility easements from time to time existing and from service lines situated within such easements to the point of service on or in any Improvement. Notwithstanding any provision contained in this section, no electrical lines, water lines, or other utilities or appurtenances thereto may be relocated on the Property until approved by Declarant or the Architectural Committee. The utility companies furnishing service shall have the right to remove all trees situated within the utility easements shown on the Plat, and to trim overhanging trees and shrubs located on portions of the Property abutting such easements.

9.03. Drainage Easements. Each Owner covenants to provide easements for drainage and water flow, as contours of land and the arrangement of Improvements approved by the Architectural Committee thereon, require. Each Owner further covenants not to disturb or displace any trees or other vegetation within the drainage easements as defined in this Declaration and shown on the Plat. There shall be no construction of Improvements, temporary or permanent, in any drainage easement, except as approved in writing by the Architectural Committee.

9.04. Surface Areas. The surface of easement areas for underground utility services may be used for planting of shrubbery, trees, lawns, or flowers. However, neither the Declarant nor any supplier of any utility service using any easement area shall be liable to any Owner or to the Association for any damage done by them or either of them, or their respective agents, employees, servants, or assigns, to any of the aforesaid vegetation as a result of any activity relating to the construction, maintenance, operation, or repair of any facility in any such easement area.

9.05. Common Area and Facilities. Each Owner shall have a non-exclusive easement for use and enjoyment in and to all Common Area and Facilities which shall be appurtenant to and shall pass with title to such Owner's Lot, subject to the following provisions:

(a) Right of Association to suspend the Owner's voting rights and right to use the Common Area and Facilities for any period during which an Assessment against such Owner's Lot remains unpaid, and for any period during which the Owner is in violation of the rules and regulations of the Association;

(b) The right of the Association to dedicate or transfer all or any part of the Common Area and Facilities to any public agency, authority or utility for such purposes and subject to such conditions as may be approved by a two-thirds vote of each class of Members who are voting in person or by proxy at a meeting duly called for such purpose, with the same quorum as required for Special Assessments herein;

(c) The right of the Association to borrow money for the purpose of improving the Common Area and Facilities and, in furtherance thereof, mortgage the Common Area and Facilities, all in accordance with the Articles and Bylaws;

(d) The right of the Association to promulgate reasonable rules and regulations regarding use of the Common Area and Facilities; and

(e) The right of the Association to contract for services with third parties on such terms as the Association may determine.

ARTICLE X

MISCELLANEOUS

10.01. Term. This Declaration, including all of the covenants, conditions, and restrictions hereof, shall run until December 31, 2029, unless amended as herein provided. After December 31, 2029, this Declaration, including all such covenants, conditions, and restrictions shall be automatically extended for successive periods of ten (10) years each, unless amended or extinguished as set forth in Section 10.02 below.

10.02. Amendment/Extinguishment.

(a) By Declarant. This Declaration may be amended unilaterally at any time and from time to time by the Declarant (i) if such amendment is necessary to bring any provision hereof into compliance with any applicable governmental statute, rule, or regulation or judicial determination which shall be in conflict therewith; (ii) if such amendment is required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on the property subject to this Declaration; (iii) if such amendment is necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on the property subject to this Declaration; or (iv) to correct any error or omission or to clarify any ambiguity herein.

(b) By Owners. This Declaration may be amended or extinguished by the recording in the Bexar County Deed and Plat Records of an instrument executed and acknowledged by at least ninety percent (90%) of the Owners hereof for the first twenty years from the date hereof, and by seventy-five percent (75%) of said Owners thereafter.

10.03. Notices. Before the Association may suspend an Owner's right to use the Common Area and Facilities, file a suit against an Owner other than a suit to collect Regular Annual or Special Assessments or foreclose under an Association's lien, charge an Owner for property damage, or levy a fine for a violation of the Restrictions or Bylaws or Association Rules, the Association or its agent must give written notice to the Owner by certified mail, return receipt requested. The notice must: (i) describe the violation or property damage that is the basis for the suspension action, charge, or fine and state any amount due the Association from the Owner; and (ii) inform the Owner that the Owner: (A) is entitle to a reasonable period to cure the violation and avoid the fine or suspension unless the Owner was given notice and a reasonable opportunity to cure a similar violation within the preceding six (6) months; and (B) may request a hearing on or before the 30th day after the date the Owner receives the notices. All other notices permitted or required to be given by this Declaration shall be in writing and may be delivered either by

certified mail, return receipt requested, or personally delivered and a written receipt received therefor. If delivery is made by certified mail, it shall be deemed to have been delivered the date on which it was received by the person to whom such notice was addressed. Such address may be changed from time to time by notice in writing given by such person to the Association.

10.04. Interpretation. The provisions of this Declaration shall be liberally construed to effectuate the purposes of creating a uniform plan for the development and operation of the Property and of promoting and effectuating the fundamental concepts of the Property set forth in this Declaration. This Declaration shall be construed and governed under the laws of the State of Texas.

10.05. Exemption of Declarant. Notwithstanding any provision in this Declaration to the contrary, neither Declarant nor any of Declarant's activities shall in any way be subject to the control of or under the jurisdiction of the Architectural Committee. Without in any way limiting the generality of the preceding sentence, this Declaration shall not prevent or limit the right of Declarant to excavate and grade, to construct any and alter drainage patterns and facilities, to construct any and all other types of improvements, sales and leasing offices and similar facilities, and to post signs incidental to construction, sales, and leasing anywhere within the Property.

10.06. Non-liability of Architectural Committee and Board Members. Neither the Architectural Committee, nor any member thereof, nor the Board, nor any member thereof, shall be liable to the Association or to any Owner or to any other person for any loss, damage, or injury arising out of their being in any way connected with the performance of the Architectural Committee's or the Board's respective duties under this Declaration unless due to the willful misconduct or bad faith of the Architectural Committee or its member or the Board or its member, as the case may be.

10.07. Assignment of Declarant. Notwithstanding any provision in this Declaration to the contrary, Declarant may assign, in whole or in part, any of its privileges, exemptions, rights, and duties under this Declaration to any other Person and may permit the participation, in whole or in part, by any other Person in any of its privileges, exemptions, rights, and duties hereunder.

10.08. Enforcement and Non-waiver. Except as otherwise provided herein, any Owner at his own expense, the Board, the City in which the Lot is located, if any, and/or the Municipal Utility District having jurisdiction over the Property shall have the right to enforce all of the provisions of the Restrictions. Such right of enforcement shall include both damages for, and injunctive relief against, the breach of any such provision. The failure to enforce any provision of the Restrictions at any time shall not constitute a waiver of the right thereafter to enforce any such provision or any other provision of said Restrictions. The Association shall have the right, when appropriate in its judgment, to claim or impose a lien upon any Lot or Improvement constructed thereon in order to enforce any right or effect compliance with this Declaration.

10.09. Construction. The provisions of the Restrictions shall be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion thereof shall not affect the validity or enforceability of any other provision or portion thereof. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular; and the masculine, feminine or neuter shall each include the masculine, feminine and neuter. All captions and titles used in this Declaration are intended solely for convenience of reference and shall not enlarge, limit or otherwise effect that which is set forth in any of the paragraphs, sections or articles hereof.

10.10. Residential Construction Liability Act. Without waiving any rights under law or equity, all Owners acknowledge, covenant and agree that residential construction defect claims regarding any Home against the Declarant or any Builder in Texas are controlled by the Texas Residential Construction Liability Act (Tex. Prop. Code §27 .001 *et seq.*, as amended) which preempts the Texas Deceptive Trade Practices Act (Tex. Bus. & Com. Code §17.41 *et seq.*, as amended) and any other law.

10.11. EPA Compliance. The Owner of each Lot agrees to comply with all EPA rules and regulations regarding erosion control and compliance with a Storm Water Pollution Prevention Plan affecting the Lots (the "Plan"), which will include elements necessary for compliance with the nationwide general permit for construction activities administered by the EPA under the National Pollutant Discharge Elimination System. Each Owner acknowledges that the Declarant and any Builder will not bear any responsibility for complying with a Plan on any Lot upon the sale of each Lot in the Subdivision.

10.12. Soil Movement. Each Owner acknowledges that the failure or excessive movement of any foundation of any Home in the Subdivision can result in the diminished value and overall desirability of the entire Development. Each Owner agrees and understands that the maintenance of the moisture content of the soils on each Lot is necessary to preserve the structural integrity of each home in the Development. Each Owner also acknowledges that the long term value and desirability of the Development is contingent upon each Owner maintaining their Home so that no structural failure or excessive soil movement occurs within the Development.

EACH OWNER IS HEREBY NOTIFIED THAT THE SOIL COMPOSITION IN TEXAS IN GENERAL AND THE DEVELOPMENT IN PARTICULAR AND THE CONDITION OF THE LOTS MAY RESULT IN THE SWELLING AND/OR CONTRACTION OF THE SOIL IN AND AROUND THE LOT IF THE OWNER OF THE LOT DOES NOT EXERCISE THE PROPER CARE AND MAINTENANCE OF THE SOIL REQUIRED TO PREVENT SOIL MOVEMENT.

If the Owner fails to exercise the necessary precautions, damage, settlement, movement or upheaval to the foundation may occur. Owners are highly encouraged to install and maintain proper irrigation around their Home or take such other measures to ensure even, proportional and prudent watering around the foundation of the Home. By each Owner's acceptance of a warranty deed to any Lot, each Owner, on behalf of Owner and Owner's representatives, successors and assigns, hereby acknowledge that the developer, Declarant, all Builders in the Subdivision and the Committee shall not be responsible or liable for any damage, settlement, movement or upheaval to the foundation or any other part of the residence constructed on said Lot and hereby releases and forever discharges, developer, all Builders in the Subdivision, Declarant and the Committee, and their respective shareholders, members, officers, directors, partners, employees, agents, representatives, affiliates, attorneys, successors and assigns, of and from any and all claims for the relief and/or causes of actions, liabilities, damages and claims whatsoever, known or unknown, direct or indirect, arising from or relating to the foundation and/or the residence constructed upon the Lot, including but not limited to any damage thereto caused by and/or related in any fashion to the soil condition upon which the same are constructed, the presence of groundwater and any other subsurface condition affecting the Lot and/or from the failure or improper or uneven watering of the Lot, inadequate grading or drainage facilities to carry water away from the foundation, or planting of improper vegetation near the foundation or any action which affects the drainage of any Lot.

The Owner of each Lot, and the Owner's legal representatives, successors and assigns, shall assume all risk and consequences to the residential structure, including but not limited to those arising or relating to the subsurface and surface soil condition in and around the Lot, the failure of the Owner or any other person or entity to exercise prudent maintenance procedures and/or the Owner's negligence in protecting and maintaining the integrity of the foundation and structure of the residence.

IN WITNESS WHEREOF, Declarant has executed this Declaration to be effective on the First day of August, 2008

DECLARANT:

Stuart Road 73.4, L.L.C.
a Texas limited liability company

By: _____
Name: Steve Miller
Its: Manager

STATE OF TEXAS §

COUNTY OF BEXAR §

This instrument was acknowledged before me on the 1st day of August, 2008, by Steve Miller, as Manager of Stuart Road 73.4, L.L.C., Texas limited liability company, on behalf of said limited liability company.

JERRY F. MORELL
Notary Public, State of Texas
My Commission Expires
January 23, 2011

_____
Notary Public, State of Texas

Any provision herein which restricts the sale, or use of the described real property because of race is invalid and unenforceable under Federal law
STATE OF TEXAS, COUNTY OF BEXAR
I hereby certify that this instrument was FILED in File Number Sequence on this date and at the time stamped hereon by me and was duly RECORDED in the Official Public Records of Real Property of Bexar County, Texas on:

AUG 06 2008

COUNTY CLERK BEXAR COUNTY, TEXAS

Docl# 20080160862 Fees: $100.00
08/06/2008 8:36AM # Pages 22
Filed & Recorded in the Official Public
Records of BEXAR COUNTY
GERARD RICKHOFF COUNTY CLERK