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Texas General Arbitration Act

**DECLARATION OF RESTRICTIVE COVENANTS AND CONDITIONS
FOR
CHURCHILLESSTATES, UNIT 12A, PLANNED UNIT DEVELOPMENT
BEXAR COUNTY, TEXAS**

STATE OF TEXAS §

COUNTY OF BEXAR §

THIS DECLARATION, made on the date hereinafter set forth by N.C.V. TRUST, hereinafter referred to as "Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner of certain real property in San Antonio, Bexar County, Texas, which is approximately 20.410 acres, more particularly described as follows:

A replat of 0.179 acres out of CHURCHILLESSTATES SUBDIVISION, UNIT 10, and a subdivision plat of 20.231 acres of land out of New City Block 17856, San Antonio, Texas, Bexar County, Texas, containing a total of 20.410 acres.

WHEREAS, Declarant desires to create thereon a residential community with designated "Lots" and "Common Facilities" (as those terms are defined herein) for the benefit of present and future owners of said Lots.

WHEREAS, N.C.V. TRUST, ("Declarant") has subdivided the above described land as shown by the map and plat of such subdivision, which map and plat has heretofore been filed, in the Real Property Records of Bexar County, Texas, as the true and correct survey, map and plat thereof, and which Subdivision is and shall be known as CHURCHILL ESTATES, UNIT 12A, PLANNED UNIT DEVELOPMENT;

WHEREAS, Declarant desires to ensure the preservation of the values and amenities in said community and for the maintenance of said Common Facilities, and to this end desires to further subject the Property, together with such additions as may hereafter be made thereto, as herein provided, to the covenants, restrictions, easements, charges, and liens hereinafter set forth, each and all of which is and are for the benefit of said property and each of the owners thereof; and,

WHEREAS, Declarant has deemed it desirable for the efficient preservation of the values and amenities in said community, to create an agency to which should be delegated and assigned the powers of maintaining and administering the Common Facilities and administering, collecting, and disbursing the assessments and charges hereinafter created; and,

WHEREAS, CHURCHILL HOMEOWNERS ASSOCIATION has been incorporated under the laws of the State of Texas as a non-profit corporation for the purposes of exercising the functions aforesaid as to CHURCHILL ESTATES, UNIT 12A, PLANNED UNIT DEVELOPMENT and Declarant desires to conform the restrictions on use of the herein described real property as necessary for the purpose of subjecting said property and the Owners thereof to the jurisdiction of said CHURCHILL HOMEOWNERS ASSOCIATION.

NOW, THEREFORE, Declarant declares that the real property above-described is and shall be held, transferred, sold, conveyed, occupied, and enjoyed subject to the covenants, restrictions, easements, charges, and liens hereinafter set forth. N.C.V. TRUST, as owner, hereby adopts and impresses these Restrictive Covenants upon the following described real property, to wit:

ARTICLE I
DEFINITIONS

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

- (A) "Association" shall mean and refer to the CHURCHILL HOMEOWNERS ASSOCIATION, its successors and assigns as provided for herein.
- (B) "Properties or Property" shall mean and refer to the above-described real property and additions thereto, as are subject to this Declaration or any Supplemental Declaration under the provisions of Article II.
- (C) "Common Facilities" shall mean and refer to all property leased, owned, or maintained by the Association for the use and benefit of the Members of the Association. By way of illustration, Common Facilities may included, but not necessarily be limited to the following: private streets, signs, lights, parkways, medians, safety lanes, islands, guard house, landscaping, gate, walls and monuments, buildings, sport courts, and other similar or appurtenant improvements.
- (D) "Lot" shall mean and refer to any of the above stated separately numbered plots of land as shown on the Subdivision Plat.
- (E) "Subdivision Plat" shall mean and refer to the map or plat of CHURCHILL ESTATES, UNIT 12A, PLANNED UNIT DEVELOPMENT, filed for record in Volume 9529, Pages 213 and 214, Map and Plat Records of Bexar County, Texas, and any amendment thereof upon filing of same for record in the Plat Records of Bexar County, Texas.
- (F) "Dwelling" shall mean and refer to a single family residence and its attached or detached garage situated upon a Lot upon which construction has been completed and a closing of a sale or a lease thereof has taken place, or when the unit is occupied as a residence, whichever first occurs.
- (G) "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot or portion of a Lot, within the Properties, including contract sellers but excluding those having interest merely as security of the performance of an obligation.
- (H) "Member" shall mean and refer to all those Owners who are members of the Association as provided in Article III, Section 1, hereof.
- (I) "Builder Members" shall mean and refer to those Members approved by Declarant for construction of residences within the Properties and owning one or more Lots for the purpose of such construction and sale to others.
- (J) "Declarant" shall mean and refer to the N.C.V. Trust, its successors or assigns.
- (K) "Architectural Control Committee" shall mean and refer to the committee appointed by the Declarant in the manner and for the purposes set for in Article VI, hereof.

(L) "Board of Directors" shall mean and refer to the governing body of the Association, the election and procedures of which shall be as set forth in the Articles of Incorporation and By-Laws of the Association.

(M) "Improved Lot" shall mean a lot upon which construction of a Living Unit thereon is completed, and closing of a sale thereof has taken place, or when the Living Unit is occupied as a residence, whichever first occurs.

ARTICLE II
PROPERTY SUBJECT TO THIS DECLARATION;
ADDITIONS OR MODIFICATIONS THERETO

Section 2.1 Existing Property. The Property known as CHURCHILLESTATES, UNIT 12A, PLANNED UNIT DEVELOPMENT shall be held, transferred, sold, conveyed and occupied subject to this Declaration, all of which said real property is sometimes hereinafter referred to as the "Existing Property."

Section 2.2 Additions to Existing Property. Additional lands may become subject to this Declaration in the following manners:

(A) Additions by Declarant. The Declarant, its successors and assigns, shall have the right to bring within the scheme of this Declaration additional land without the consent of Association Members. Any additions authorized under this and the succeeding subsections shall be made by filing in the Real Property Records of Bexar County, Texas, an instrument which adopts or extends a scheme of covenants, conditions and restrictions to the additional property and declares the same to be subject to the jurisdiction and assessments of the Association. The execution thereof by Declarant shall constitute all requisite evidence of the required approval thereof. Such instruments may contain complementary additions of the covenants and restrictions contained in the Declaration as may be applicable to the additional lands. In no event, however, shall any such instrument revoke, modify or add to the covenants established by this Declaration as they are applicable to the Existing Property

(B) Other Additions. Notwithstanding the above, additional property may be brought within the jurisdiction of the Association provided that the owner thereof files of record an instrument which adopts or extends this scheme of covenants, conditions and restrictions to the additional property and declares the same to be subject to the jurisdiction and assessments of the Association by recorded instrument in the Real Property Records of Bexar, County, Texas, signed by two-thirds (2/3) of the collective number of restricted Lots situated in the forenamed Subdivision and in any other residential subdivision area which has been duly annexed thereto as specified herein.

(C) Mergers. Upon a merger or consolidation of the Association with another association, the Association's properties, rights and obligations may be transferred to the other association, or alternatively, the properties, rights and obligations of another association may be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association, or alternatively, the properties, rights and obligations of another association may be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association shall administer the covenants and restrictions applicable to the properties of the association as one scheme. No such merger or consolidation, however, shall effect any revocation, change or addition to the covenants established by this Declaration.

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ARTICLE III
MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 3.1 Membership. Every person or entity who is a record owner of a fee or undivided interest in any Lot which is subject to the jurisdiction of by the Association shall be a Member of the Association, provided, however, that any person or entity holding an interest in any such Lot or Lots merely as security for the performance of an obligation, shall not be a Member.

Section 3.2 Voting Rights. The Association shall have two classes of voting membership:

(A) Class A. Class A Members shall be all those Owners as defined in Article I, with the exception of the Declarant and Builder Members. Class A Members shall be entitled to one vote for each Lot in which they hold the interest required for membership under Section 1, of this Article III. When more than one person holds such interest or interests in any Lot, all such persons shall be members, and the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any one Lot.

(B) Class B. Class B Members shall be the Declarant and Builder Members. The Class B member shall be entitled to three votes for each Lot in which it holds the interest required of this Article III, provided that the Class B Membership shall cease and become converted to Class A Membership when the total votes outstanding in the Class A Membership equal the total votes outstanding in the Class B Membership. From and after the happening of this event, the Class B Member shall be deemed to be a Class A Member entitled to one vote for each Lot in which it holds the interest required for membership under Section 1, of this Article III.

ARTICLE IV
PROPERTY RIGHTS IN THE COMMON FACILITIES

Section 4.1 Members' Easements of Enjoyment. Subject to the provisions of Section 3, of this Article IV, every Member shall have a common right and easement of enjoyment in and to the Common Facilities and such right and easement shall be appurtenant to and shall pass with the title to every Lot.

Section 4.2 Title to Common Facilities. The Association shall own all Common Facilities in fee simple and assume all maintenance obligations with respect to any Common Facilities which may be established. The Association shall not convey any Common Facilities without the consent of two-thirds (2/3rds) or more of the Lot Owners.

Section 4.3 Insurance. From and after the date on which title to any Common Facilities vests in the Association, the Association shall purchase and carry a general comprehensive public liability insurance policy for the benefit of the Association and its members, covering occurrences on the Common Facilities. The policy limits shall be determined by the Board of Directors of the Association. The Association shall use its best efforts to see that such policy shall contain, if available, cross-liability endorsements or other appropriate provisions for the benefit of members, Directors and the management company retained by the Association (if any), insuring each against liability to each other, as well as to third parties. Nothing shall be done or kept in the Common Facilities which will increase the rate of insurance on the Common Facilities without the prior written consent of the Board of Directors. No Owner shall permit anything to be done or kept in the Common Facilities which will result in cancellation of insurance on any part of the Common Facilities, or which would be in violation of any law. No waste shall be permitted in the Common Facilities.

Section 4.4 Obstruction. There shall be no obstruction of the Common Facilities. Nothing shall be stored in the Common Facilities without the prior written consent of the Board of Directors of the Association.

Section 4.5 Extent of Members' Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

- (A) The rights and easements existing or hereafter created in favor of others as provided for in the Subdivision Plat.
- (B) The rights of the Association, once it has obtained legal title to the Common Facilities, as provided in Section 2, of this Article IV, to do the following:
 - (1) to borrow money for the purpose of construction or improving the Common Facilities and, in aid thereof, to mortgage said properties and facilities, in accordance with the Articles of Incorporation and Bylaws of the Association;
 - (2) to take such steps that are reasonably necessary to protect the above-described properties and facilities against
 - (3) to suspend and collect the assessments provided for herein or elsewhere and to charge reasonable admission and other fees for the use of the Common Facilities; and
 - (4) to dedicate or transfer all or any part of the Common Facilities to any public agency, authority, or utility for such purposes and subject to such conditions as may be approved by a two-thirds (2/3) vote of the Membership.

Section 4.6 Entry Gate. Absent Declarant's written consent to the contrary, the entry gate to the Subdivision shall be kept open to the public during daylight hours until three months following the conveyance of the last Lot owned by Declarant including both the Existing Properties and future phases of development annexed to the jurisdiction of the Association.

ARTICLE V COVENANTS FOR MAINTENANCE ASSESSMENTS

Section 5.1 Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot contained within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay: (1) annual assessments or charges and special assessments for capital improvements to the Churchill Homeowners Association, such assessments to be fixed, established, and collected from time to time as hereinafter provided; and (2) annual assessments and charges and special assessments, equal to those required of the members of the Churchill Estates Homes Association, to be fixed, established by and paid to the Churchill Estates Homes Association at the same time and in the same manner as those of the Members of the Churchill Estates Homes Association. The annual and special assessments, together with such interest thereon and costs of collection thereof, as are hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with such interest thereon and cost of collection thereof, as hereinafter provided, shall also be the personal obligation of the person who was the owner of such property at the time the obligation accrued.

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Section 5.2 Purpose of Assessments. The assessments levied by the Churchill Homes Association and the Churchill Estate Homes Association shall be used for the purpose of promoting the recreation, health, and welfare of the Members, and in particular, for the improvement, maintenance and operation of the properties, services and Common Facilities devoted to the purpose and related to the use and enjoyment of the Properties. Payment of the assessments levied by the Churchill Estates Homes Association ensures use and access equal to that of the Churchill Estates Homes Association Members of all current and future recreational facilities and "Public Places" of Churchill Estates Subdivision for all time .

Section 5.3 Basis and Maximum of Annual Assessments. The annual assessment for both improved and unimproved Lots shall be determined by the Board of Directors in the manner provided for herein after determination of current maintenance costs and anticipated needs of the Association during the year for which the assessment is being made. The maximum annual assessment for improved Lots may be increased by vote of the Members as provided in Article V, Section 5 hereof. A Lot shall be deemed to be an "Improved Lot" when construction of a Dwelling thereon is completed, and closing of a sale thereof has taken place, or when the Dwelling is occupied as a residence, whichever first occurs.

Section 5.4 Special Assessments for Capital Improvements. In addition to the annual assessments provided for in Section 5.3 above, the Association may levy, in any assessment year, a Special Assessment on improved Lots only, 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 on or which is a part of the Common Facilities, provided that such assessment shall be approved by not less than two thirds (2/3) of the votes of the Improved Lot Owners, whether voting in person or by proxy at a meeting duly called for this purpose, of which written notice shall be sent to all Improved Lot Owners not less than thirty (30) days, nor more than sixty (60) days in advance of the meeting, such notice shall set forth the purpose, time and date of the meeting.

Section 5.5 Change in Annual Assessments. Subject to the limitations of Section 5.3 above, the annual assessment may be adjusted by majority vote of the Board of Directors but shall not be increased by more than ten percent (10%) above that of a previous year without a vote of the Membership. Any increase in the annual assessment of more than ten percent (10%) above that of a previous year shall require approval of two-thirds (2/3) vote of the Membership voting at a meeting duly called for that purpose.

Section 5.6 Quorum for any Action Authorized. The quorum required for any action authorized by Sections 4 and 5 of this Article shall be as follows:

At the first meeting called, as provided in Sections 4 and 5, of this Article V, the presence of Members or of proxies entitled to cast sixty percent (60%) of all votes of each class of membership constitutes a quorum. If the required quorum is not present, another meeting may be called, subject to the same notice requirements, and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting provided that such reduced quorum requirement shall not be applicable to any such subsequent meeting held more than sixty (60) days following the preceding meeting.

Section 5.7 Date of Commencement of Annual Assessments.

(A) Churchill Homeowners Association. The annual assessments provided for herein shall commence as to all Lots on such date as the Board of Directors of the Association shall determine. The assessments for each

calendar year shall become due and payable and shall be collected as the Board of Directors of the Association shall determine. The amount of the annual assessment which may be levied for the balance remaining in the first year of assessment shall be an amount which bears the same relationship to the annual assessment provided for in Section 3 hereof as the remaining number of months in that year bear to twelve, when a Lot becomes an Improved Lot. The due date of any special assessment shall be fixed in the resolution authorizing such assessment.

(B) It shall be the duty of the Churchill Estates Homes Association to notify all Owners, whose address is listed with the Association, on or before January 1st of each year, giving the amount of the assessment, when due, and the amount due on each tract of land located in CHURCHILL ESTATES, UNIT 12A, PLANNED UNIT DEVELOPMENT. Such assessments shall be due and payable at the same time and in the same manner as those of the Churchill Estates Homes Association.

Section 5.8 Duties of the Board of Directors. The Board of Directors of the Association shall fix the amount of the annual assessment against each Lot for the following year and shall, at that time, prepare a roster of the Lots and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner. Written notice of the assessment shall be sent to every Owner subject thereto. The Association shall upon demand at any time furnish to any Owner liable for said assessment a certificate in writing signed by an officer of the Association, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 5.9 Effect of Non-Payment of Assessments. If the assessments are not paid on the date when due, then such assessment shall become delinquent and shall, together with interest and the cost of collection, thereupon become a continuing lien on the property which shall bind such property in the hands of the then Owner, his heirs, devisees, personal representatives and assigns. If the assessment is not paid within thirty (30) days after the delinquency date, the assessment shall bear interest from the date of delinquency at the rate of ten percent (10%) per annum, and the Churchill Homeowners Association and/or the Churchill Estates Homeowners Association may bring an action at law against the Owner to pay the same or to foreclose the lien against the property, and there shall be added to the amount of such assessment all reasonable expenses of collection including the costs of preparing and filing the complaint, reasonable attorney's fees and costs of suit, in no event to exceed the maximum allowed by law.

Section 5.10 Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 5.11 Exempt Property. All lands contained in streets, parks, playgrounds and other public places open to the public for the common use of the owners or residents of the land within CHURCHILL ESTATES, UNIT 12A, PLANNED UNIT DEVELOPMENT, and all property occupied by a church or public school shall not be subject to assessment.

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ARTICLE VI
ARCHITECTURAL CONTROL

Section 6.1 Compliance. No building or outbuilding shall be erected, placed, or altered on any Lot until the construction plans and specifications and a plot plan showing the location of the structures have been approved by the Architectural Control Committee as to compliance with these Restrictive Covenants and Deed Restrictions.

Section 6.2 Committee Membership and Procedure. The initial Architectural Control Committee is composed of Sam Schaefer, Michael Cisneros, and Jane Schaefer. A majority of the Committee may discharge a member, elect successors in the event of resignation or vacancy, or designate a representative to act for it at any time or for any period. In the event of death or resignation of any member of the Committee, the remaining members shall have full authority to designate a successor. A resignation is effective when submitted in writing to The Architectural Control Committee or its successors. Neither the members of the Committee nor any designated representative shall be entitled to any compensation for services performed pursuant to this covenant. The powers and duties of such Committee shall continue for the purposes herein stated until the year 2050 or at such earlier time as none of the above described Lots are owned by Declarant, or its successors, and all members of the Committee have resigned; a majority of the owners of the above described Lots shall have the right to elect the membership of the Committee. The Committee's approval or disapproval as required in these covenants shall be in writing. In the event this Committee, or its designated representative, fails to approve or disapprove such compliance, plans and specifications, within thirty (30) days, such approval shall be deemed granted and the related covenants shall be deemed to have been fully complied with. However, failure to reject the plan SHALL NOT BE DEEMED A WAIVER OF ANY COVENANT CONTAINED HEREIN AND THE REQUESTING PARTY MUST COMPLY WITH ALL THESE COVENANTS OTHERWISE.

Section 6.3 Authority. The Architectural Control Committee shall have the express authority to perform fact-finding functions hereunder and shall have the power to construe and interpret any covenant herein that may be vague, indefinite, uncertain or capable of more than one construction. The Architectural Control Committee shall have the authority to determine and publish reasonable standards for materials, colors, and design for improvements.

Section 6.4 Liability. Under no circumstances shall the Architectural Control Committee, its members, representatives, assigns, employees, or servants be subject to any suit for monetary damages or personal liability. Members of the Architectural Control Committee and their representatives shall not be liable to any person subject to or possessing or claiming the benefits of these restrictive for any damage or injury to property for damage or loss arising out of their acts hereunder; it being understood and agreed that any remedy be restricted to injunctive relief and no other. Furthermore, neither the Declarant nor the Architectural Control Committee, nor any representative of the Architectural Control Committee shall be liable for any damages created by any utility company or their assigns, their agents, employees or servants.

Section 6.5 Professional Assistance. If the Architectural Control Committee shall determine that the complexity of a request for architectural approval so warrants, the Architectural Control Committee may retain an architect and/or engineer for assistance and advice; in this event, the reasonable costs of such architect and/or engineer shall be paid by the party requesting architectural approval.

ARTICLE VII
USE RESTRICTIONS, COVENANTS, CONDITIONS AND EASEMENTS.

Section 7.1 PERMITTED USE. The Lots shall be used only for single family residential purposes. No store, business, automobile service station and no building of any kind whatsoever shall be erected or maintained thereon except private Dwelling units and such outbuildings as are customarily appurtenant to a Dwelling. No residence of temporary character shall be permitted on any lot. No shack, basement, garage, trailer, tent, barn or other outbuilding, erected upon or moved onto any Lot in the Subdivision shall at any time be used as a residence, or as living quarters, after completion of the main building.

Section 7.2 QUALITY AND SIZE. The minimum floor area of the main Dwelling structure (measured to the outside of exterior walls, exclusive of garages, open porches, patios and detached accessory buildings) shall not be less than one thousand eight hundred (1800) square feet for one-story and split level Dwellings, and two thousand two hundred (2200) square feet for one and one-half and two-story Dwellings.

Section 7.3 MINIMUM MASONRY. The exterior walls of all residential buildings shall be constructed with masonry, rock, stucco, brick, or brick or masonry veneer for seventy-five percent (75%) or more of the total exterior wall area measured and accordance with, and exemplified, by the attached Exhibit "A," which is hereby incorporated by reference. Window and door openings shall be included as masonry. The outer walls of the garage, whether detached or attached to the main residence, shall be of the same construction as the other walls of such residence building.

Section 7.4 DRIVEWAYS. Each Dwelling shall have a driveway. All driveways in the Properties shall be surfaced with broom finished concrete or other similar substance approved by the Architectural Control Committee.

Section 7.5 OUTSIDE PARKING AND STORAGE. No boat, trailer, camping unit, or self propelled or towed equipment or machinery of any sort shall be parked for storage on any Lot, except in a closed garage or in an area in which such item cannot be viewed from any street, or in an area adequately screened by planting or fencing. No truck, camper, boat, trailer, equipment, or machinery shall be parked in front of any residence for a period in excess of twenty-four (24) consecutive hours. The Board of Directors is empowered to establish such additional rules and regulations relating to the parking and storage of vehicles, equipment, and other property, both on Lots and the Common Facilities, as it may from time to time deem necessary to ensure the preservation and appearance of the Subdivision as a residential neighborhood. Such rules and regulations shall, when promulgated, be in all respects binding on and enforceable against Lot Owners, provided, however, no such additional rules or regulations shall in any manner revoke or relax any of the restrictions in use set forth in this Section. During the construction of improvements on a Lot, necessary construction vehicles may be parked thereon for and during the time of such necessity.

Section 7.6 BUILDING LOCATION. No building shall be located on any Lot nearer to the front, or rear, lot line, nor nearer to the side street line, than permitted by the applicable Zoning ordinance.

Section 7.7 LOT CONSOLIDATION. Lots, or portions of two or more such Lots, may with the prior approval of the Architectural Control Committee, be consolidated into a single building site for the construction of such other improvements as are permitted herein. A Lot resulting from consolidation shall bear, and the owner thereof shall be responsible for, all assessments applicable to the Lots which are consolidated.

Section 7.8 EASEMENTS. Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat or mentioned herein. Additionally there are hereby created twenty foot (20') wide easements for drainage purposes adjacent to the rear of each lot line and five foot (5') wide easements for drainage purposes adjacent to the side lot line of each and every lot in this Subdivision. Said dimensions measure perpendicular to lot lines. Within these easements, no structure, planting, or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements. The easement area of each Lot and all improvements in it shall be maintained continuously by the Owner of the Lot(s) at his expense except for those improvements for which a public authority or utility company is responsible. The owner of the property upon which a utility easement is located may use the easement for lawn purposes. Fencing across the easement shall be permitted, provided that a drop section along the side lot lines is provided. The gates shall be at least as wide as the easement, and shall be capable of being opened and closed at all times. No permanent type center pole for the gates may be erected on the easement. In this regard, neither the Declarant, nor the Association, nor any utility company or drainage authority using said easements shall be liable for any damage done to shrubbery, trees, flowers, or property which is located within the area covered by said easements. By virtue of this easement, it shall be expressly permissible for providing the electrical and/or telephone company or any other companies to erect and maintain the necessary poles and other necessary equipment on said property and to affix and maintain electrical and/or telephone wires, circuits and conduits on, above, across and/or under the roofs and exterior walls of said residences.

Section 7.9 BLANKET EASEMENT. There is hereby created a blanket easement upon, across, over and under all of said property for ingress, egress, installation, replacing, repairing and maintaining all utilities, including but not limited to water, sewers, gas, telephones, electricity, and a master television antennae system.

Section 7.10 EMERGENCY AND ASSOCIATION EASEMENTS. An easement is further granted to all police, fire protection, ambulance, garbage and trash collector pickup vehicles 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 selected by the Association to enter into or to cross over the Common Facilities and/or any Lot to perform the duties of maintenance and repair of the Common Facilities. Notwithstanding anything to the contrary contained in this paragraph, no sewers, poles, electrical lines, water lines or other utilities may be installed or relocated without the prior approval of Declarant or the Association Architectural Control Committee. Should any utility furnishing a service, covered by the easement granted in Section 7.8 of these Restrictive Covenants request a specific easement by separate recordable document, Declarant shall have the right to grant such easement of said property without conflicting with the terms hereof, but in no event shall Declarant's rights hereunder include the right to grant easements under, through or over an improvement or a proposed building site. The easements provided for in this Article shall in no way affect any other recorded easement on said premises.

Section 7.11 NUISANCE. No noxious or offensive activity shall be permitted on any Lot or Common Facilities, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the other owners, or anger the health or disturb the reasonable enjoyment of any other Owner. Nuisance shall be defined, without limitation, to include any activities so designated under the City Code of the City of San Antonio, Bexar County, Texas.

Section 7.12 FIREARMS. The discharge of any firearm, including BB guns and pellet guns, within the Subdivision or on adjacent lands owned in whole or in part by Declarant or located within CHURCHILL ESTATES, Unit 12A, PLANNED UNIT

DEVELOPMENT is strictly prohibited and each Owner shall ensure that its guests and family members do not violate such prohibition. Additionally, the use of any bow and arrow, slingshot, or other launching or catapulting device is prohibited.

Section 7.13 NO TEMPORARY STRUCTURES. No temporary structure, including, but not limited to a, trailer, basement, tent, shack, barn, or other outbuilding on any Lot shall be used as a residence at any time either temporarily or permanently, or permitted to remain on a Lot except solely within the back yard of a Lot. Builders of homes within the subdivision shall be permitted to maintain one or more trailers as a sales office or construction trailer during the initial construction period.

Section 7.14 SIGNS. No sign of any kind shall be displayed to the public view on any Lot, or house, except one professional sign, rectangular in shape of not more than five (5) square feet in surface area advertising the property for sale or rent, or signs used by a builder to advertise the Lot during construction and sales period. No "For Sale" or "For Rent" sign shall be displayed unless a telephone number, by which daytime inquiries can be answered, is listed in numbers readable from the curbside. No "For Sale" or "For Rent" sign shall be displayed for any purpose other than for a bona fide offer to sell or to rent the property upon which the sign is located. No "Sold" signs shall remain on a Lot more than two weeks after completion of the sale. Signs used or permitted by the Declarant and Builder Members to advertise the property during the construction and sales period shall be permitted, irrespective of the foregoing.

Section 7.15 NO OIL AND MINING OPERATIONS. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon any Lot, nor shall oil wells, tanks, tunnels, mineral excavation or shafts be permitted upon any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot.

Section 7.16 PETS. No animals, livestock, poultry, exotic or dangerous pets of any type (i.e. pit bulls, boa constrictors, ferrets, etc.) that may pose a safety or health threat to the community shall be raised, bred or kept on any Lot except for cats, dogs, or other generally recognized household pets of a reasonable number provided that they are not kept, or maintained for any commercial purposes and provided further that no more than a total of four (4) adult animals may be kept on a single Lot. Adult animals for the purpose of these covenants shall mean and refer to animals one (1) year or older. All animals shall be kept in strict accordance with all local laws and ordinances (including leash laws) and in accordance with all rules established by the Association. It shall be the responsibility of the owners of such household pets to prevent the animals from running loose or becoming a nuisance to the other residents.

Section 7.17 WEEDS, GARBAGE AND REFUSE DISPOSAL. The Owners and occupants of each Lot shall at all times keep all weeds or grass thereon cut or trimmed in a reasonably neat manner, and shall in no event permit an accumulation of garbage, trash, rubbish or other waste of any kind to remain thereon and shall keep and maintain adequate ground cover to protect against soil erosion. No Lot shall be used for storage of material and equipment except for normal residential requirements or incidental to construction of improvements thereon as herein permitted.

Section 7.18 NO INDIVIDUAL WATER SUPPLY SYSTEM. No individual water supply system shall be permitted on any Lot.

Section 7.19 NO INDIVIDUAL SEWAGE DISPOSAL. No individual sewage disposal system shall be permitted on any Lot.

Section 7.20 FENCES. In order to ensure a general uniformity of appearance, any and all fences erected on areas readily apparent and visible from streets (i.e., between Dwellings, or separating front and rear yards and on all corner Lots along that portion of the side or rear yards fronting on a street), shall be six-foot vertical privacy fences composed of wood and/or masonry. In addition, the Owners of Lots 1 - 40, Block

3, New City Block 18330; Lots 17 - 28, Block 21, New City Block 17492; Lots 39, 40, 42 - 52, shall be required to erect and maintain a six foot privacy fence composed of wood and/or masonry along the entire rear lot line. No fence, wall or hedge shall be built or maintained forward of the front setback line of the respective house on any Lot save and except Lot 1, Block 3, New City Block 18330, Lots 28, Block 21, New City Block 17492, and Lot 11, Block 21, New City Block 17492, Lot 39, Block 10, New City Block 17014, and those decorative walls or fences approved in writing by the Architectural Control Committee. In no event shall any fence extend any closer to the street fronting a Dwelling at the front outermost corners of such Dwelling, save and accept Lot 1, Block 3, New City Block 18330, Lots 28, Block 21, New City Block 17492, and Lot 11, Block 21, New City Block 17492, Lot 39, Block 10, New City Block 17014. The obligation to maintain, repair and replace the above-described fence shall be appurtenant to the ownership of the Lots and shall be a covenant running with the land with respect to each of said Lots. Furthermore, without the written consent of the adjoining land owners, no gate providing access to adjoining property shall be constructed in fences unless such gate is constructed solely at the request of and for the benefit of any provider of public utilities.

(A) Treatment and Materials. All wood fences and gates shall be left natural, covered with a natural clear stain or covered with a clear wood preserver. Colors for masonry and iron portions of all fences shall be determined by the Architectural Control Committee, considering harmony with the existing residence. No staining, painting or other treatments to any fence sections readily visible from a public street or from another Lot shall be permitted without the express written approval of the Architectural Control Committee. The design of masonry and iron portions of all fences shall be subject to approval by the Architectural Control Committee.

(B) Sight Lines. No fence, wall, hedge, or shrub planting which obstructs sight lines at elevations between two (2) and six (6) feet above the roadways shall be placed or permitted to remain on any corner Lot within the triangular areas formed by the street property lines and a line connecting them at points twenty-five feet (25) from the intersection of the street lines or in the case of a rounded property corner, from the intersection of the street line extended. The same sight line limits shall apply on any Lot within ten feet (10') from the intersection of street property lines with the edge of a driveway or alley pavement. The Architectural Control Committee may waive the foregoing requirement for fences or walls upon a determination that the offending construction does not pose a safety hazard and that the enforcement of the foregoing provision would work a hardship upon the property owner. No tree shall be permitted to remain within such distance of such intersections unless the foliage is maintained at sufficient height to prevent obstruction of such sight lines.

Section 7.21 OUTBUILDINGS. Every outbuilding, except a commercially purchased greenhouse or commercially purchased metal storage building, shall be of the same style, color, architectural design and materials (both roof and walls) as the Dwelling structure to which it is appurtenant. No outbuilding shall exceed in height or number of stories the Dwelling to which it is appurtenant.

Section 7.22 BURGLAR BARS. No exterior burglar bars will be permitted on any doors, windows, or other openings of a Dwelling situated in the subdivision. Burglar bars, if installed, must be situated within the interior of such Dwelling.

Section 7.23 ATHLETIC FACILITIES. No basketball goals or backboards or any other similar sporting equipment of either a permanent or temporary nature shall be placed within ten feet (10') of the front property line of any Lot in the subdivision without the prior written consent of the Architectural Control Committee.

Section 7.24 BUILDINGS PREVIOUSLY CONSTRUCTED ELSEWHERE. Except as expressly provided in Section 7.19 above, no building previously constructed elsewhere shall be moved onto any Lot in the properties.

Section 7.25 RADIO AND TELEVISION ANTENNA. Any radio and/or television antenna erected on a building in the Properties shall not extend more than four (4') feet above the highest part of the roof of such building, and shall not be located on the front part of the building, and shall not be located on the side of the building nearer than ten (10') feet to its front wall. Any free standing antennas on the Lot shall not be erected closer than ten (10') feet to the front wall of the respective Dwelling nor shall it extend more than eight (8') feet above the highest part of the roof of that respective Dwelling. Satellite antennas shall not be installed closer than ten (10') feet to the front wall of the respective Dwelling and the entire antenna must be screened from view from any street or Lot unless approved by the Architectural Control Committee.

Section 7.26 SIDEWALKS. Street sidewalks shall be constructed in accordance with existing ordinances of the City of San Antonio, including subdivision development ordinances.

Section 7.27 LOT MAINTENANCE. The owners or occupants of Lots within the Properties shall at all times keep weeds and grass thereon cut in a sanitary, healthful and attractive manner. Lot owners and occupants shall also be required to provide and allow safe and adequate drainage within their Lot. This shall include the building or construction of any fence, walk, landscaping material or other obstruction which may divert, impede, or cause to back up run-off water coming not only from the respective Lot but from other Lots as well.

Section 7.28 DRAINAGE. The Original design and construction for drainage on each residential Lot shall be maintained by the Owner. The original drainage design and construction shall not be altered without prior approval of the Architectural Control Committee; also during the first ten years of existence of each Lot, no approval for alteration of the drainage design or construction of any Lot shall be effective unless the developer has given its written approval of such change. No landscape plan or design which would have the effect of altering the drainage of any individual Lot to cause that Lot to hold water or would increase the flow of water to another Lot may be approved.

Section 7.29 ENFORCEMENT. In the event there shall be any violation or attempted violation of any of these covenants, it shall be lawful for any person or entity, including the Association, owning any real property situated in said Subdivision to prosecute or to recover damages or other dues for such violation any proceedings at law, or in equity, against the person or persons violating or attempting to violate any such covenants to either prevent violation(s) or to recover damages for such violation(s). Declarant, for itself, its successors or assigns, reserves the right to enforce these restrictive covenants, thought it may have previously sold and conveyed all subdivided Lots in the subdivision, controlled by these covenants. The reservation of this right of enforcement shall not create an obligation of any kind to enforce these Covenants. The terms "entity" and "person" as used in this paragraph do not include or extend to the Architectural Control Committee, its members, or Declarant, against whom no action at law for damages shall lie.

Section 7.30 INVALIDITY. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any of the other provisions, which shall remain in full force and effect.

Section 7.31 AMENDMENT. These restrictions may be amended at any time prior to the termination hereof by recorded instrument in the Official Public Records of the Real Property Records of Bexar County, Texas, by an instrument signed by the then Owners of at least three-fourths (3/4) of the collective number of restricted Lots situated in the forenamed Subdivision and in any other residential development area which has been duly annexed thereto as specified herein. The foregoing paragraph

notwithstanding, the Architectural Control Committee shall have the right, power and authority, at any time, to file amendments for the sole purpose of correcting clerical errors; no other amendments may be filed except as above provided.

Section 7.31 HEADINGS. The headings herein are employed for convenience only and are not controlling over the content of the provisions.

Section 7.32 LAWS OF CONSTRUCTION. The provisions of the Declaration shall be construed by the laws of the State of Texas.

Section 7.33 VENUE. Any suit brought to enforce any provision of this Declaration shall be maintained in the courts of Bexar County, Texas.

Section 7.34 RIGHTS OF MORTGAGES. Each lienholder or mortgagee of a Lot shall possess the right to:

(A) inspect the books and records of the Association during normal business hours:

(B) receive an annual audited financial statement of the Association within ninety (90) days following the end of each fiscal year of the Association; and

(C) receive written notice of all meetings of the members of the Association and be entitled to designate a representative to attend such meetings.

Section 7.35 LEASES. Any lease agreement between an Owner and a lessee shall provide that the lease shall be subject in all respects to the provisions of this Declaration and to the Articles of Incorporation and By-Laws of the Association, and that any failure by the lessee to comply with the terms of such documents shall be a default in the lease. All such leases shall be in writing.

Section 7.36 GENDER/NUMBER APPLICATION. As appropriate herein, any pronoun used in this Declaration shall also refer to the masculine, feminine or neuter equivalent, and any singular or plural construction shall also include the other.

Section 7.37 ARBITRATION. All claims, demand, disputes, differences, controversies, and misunderstandings arising under, out of, in connection with, or in relation to this contract shall be submitted to and shall be determined by a panel of attorneys certified in residential real estate law in binding arbitration in accordance with the provisions of the Texas General Arbitration Act, Revised Statutes, Articles 224 et. seq. If any party commences litigation in violation of this Agreement such party shall reimburse the other party to the litigation for their costs and expenses including attorneys' fees incurred in seeking dismissal of such litigation.

IN WITNESS THEREOF, the undersigned as landowner herein has hereunto set its hand and seal this the 2nd day of November, 1994.

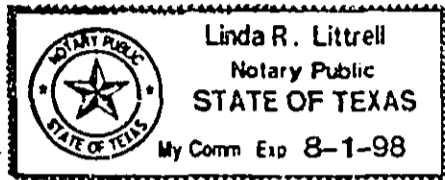
Sam Schaefer
Sam Schaefer
Agent and Attorney-in-Fact for NCV Trust

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STATE OF TEXAS §

COUNTY OF BEXAR §

Before me the undersigned authority, on this day the 2ND DAY OF NOVEMBER, 1994 personally appeared Sam Schaefer, known to be the person whose name is subscribed to the foregoing instrument and acknowledge to me that he has executed the same for the purpose and consideration therein expressed.



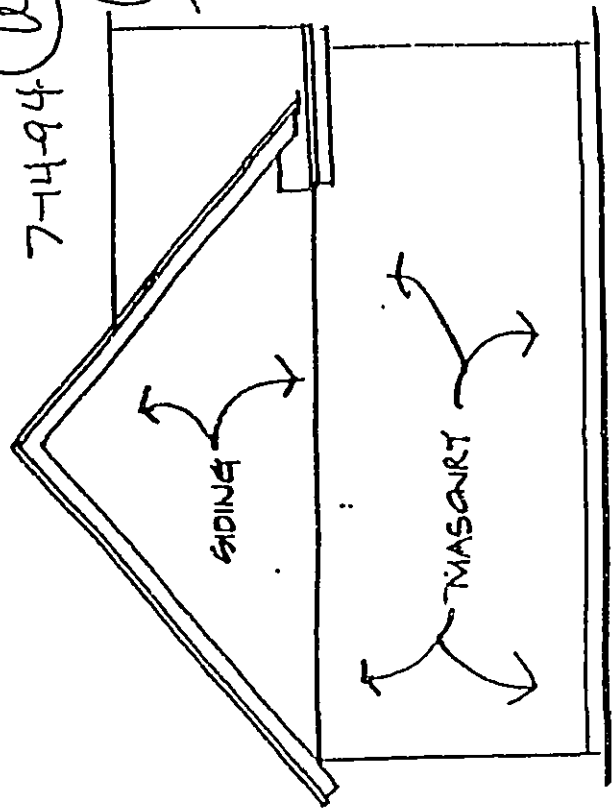
Linda R Littrell
Notary Public

My commission expires: 8-1-98

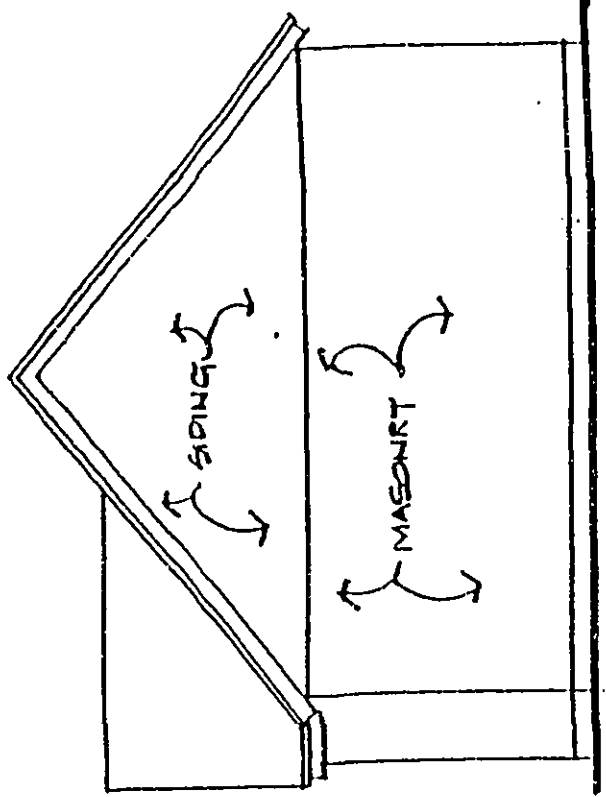
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Jane Schaefer
10127 Morocco, ste 123
San Antonio, TX 78216

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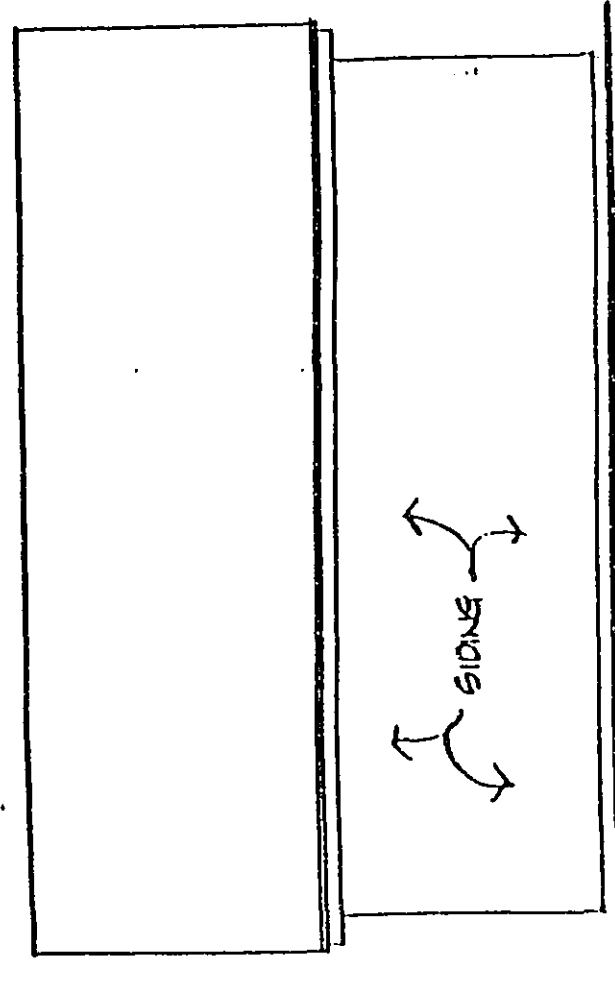
ENTRANCE
7-14-94 (b)
CML



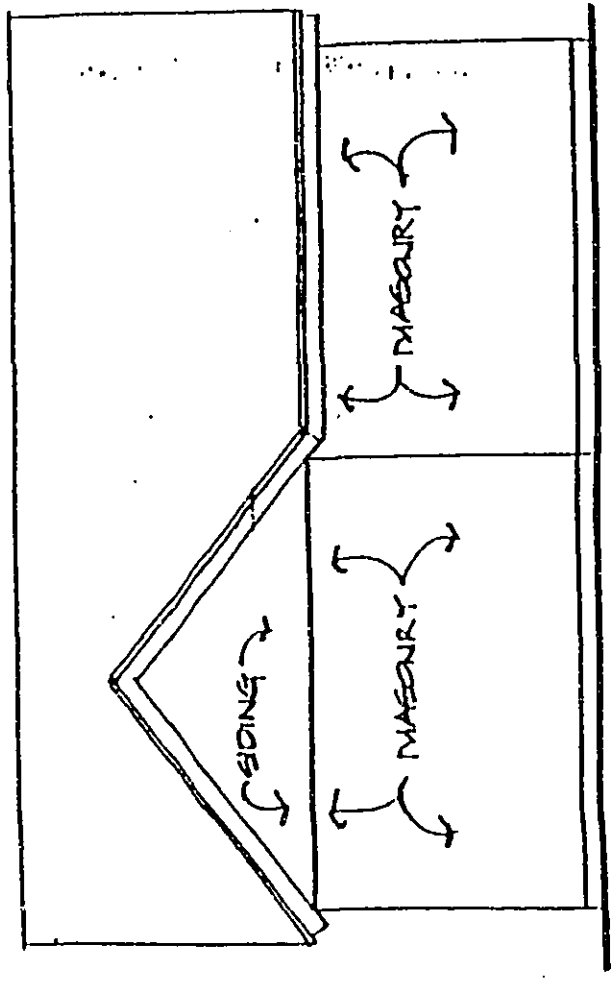
LEFT SIDE ELEV.



RIGHT SIDE ELEV.



REAR ELEV.

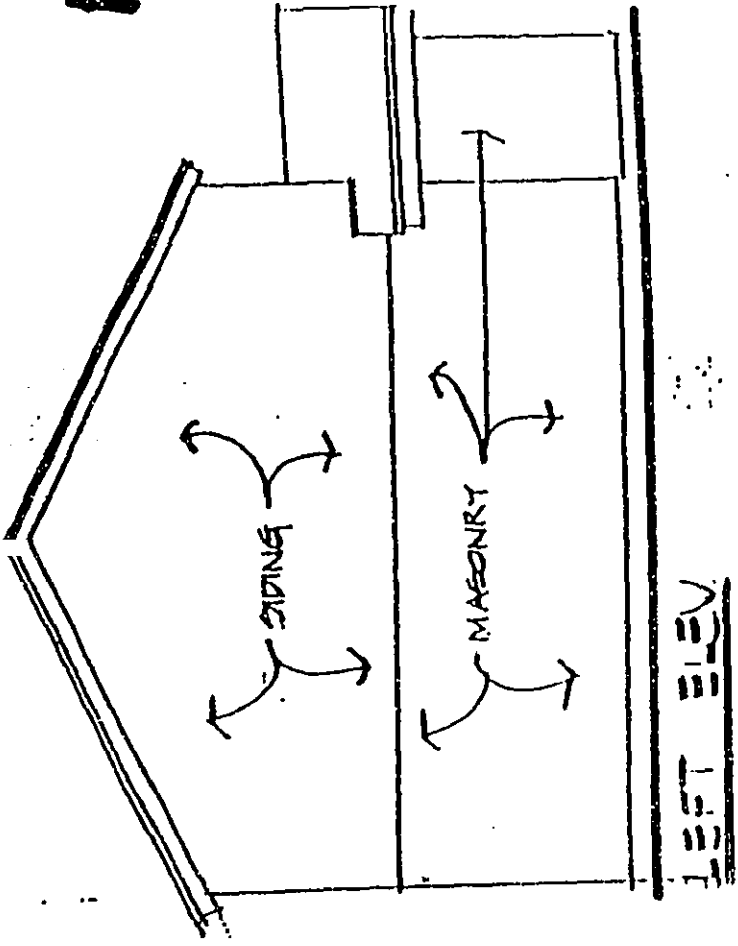


FRONT ELEV.

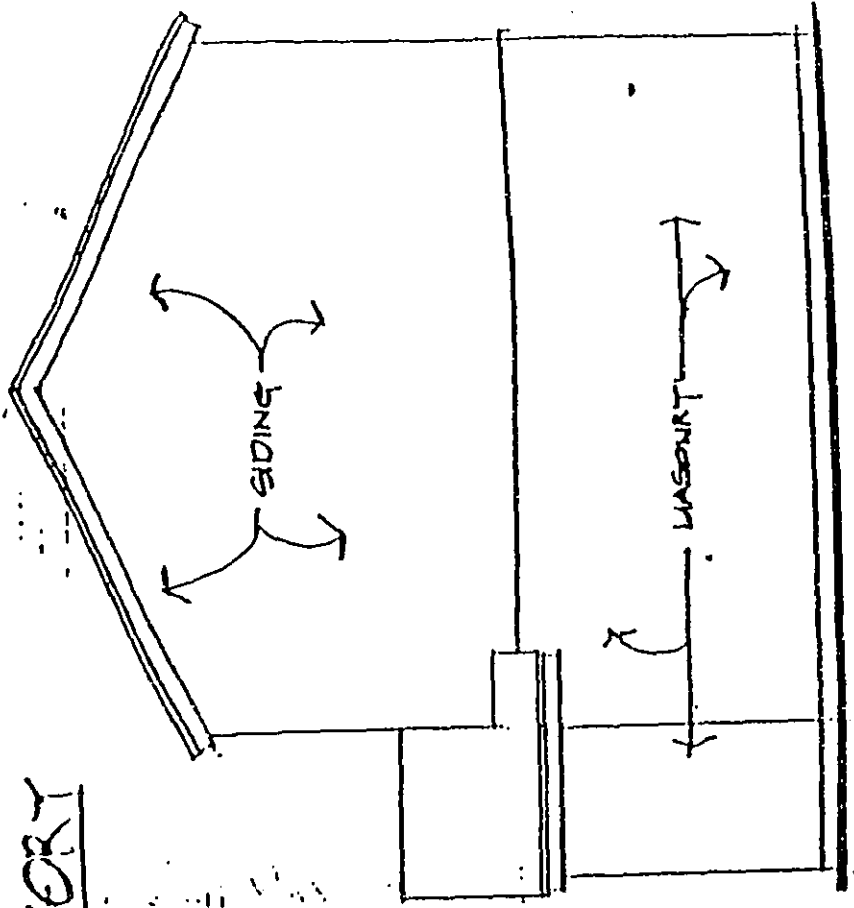
LOTS 1

PLAT 249 PG 1893

EXHIBIT "A"

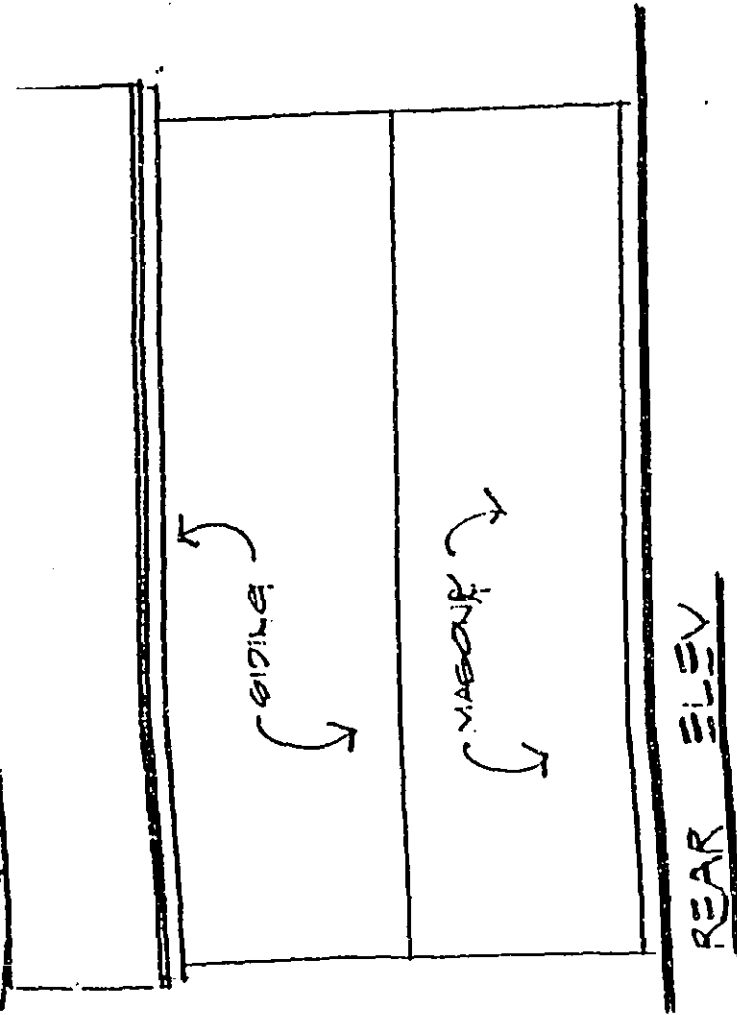


LEFT ELEV

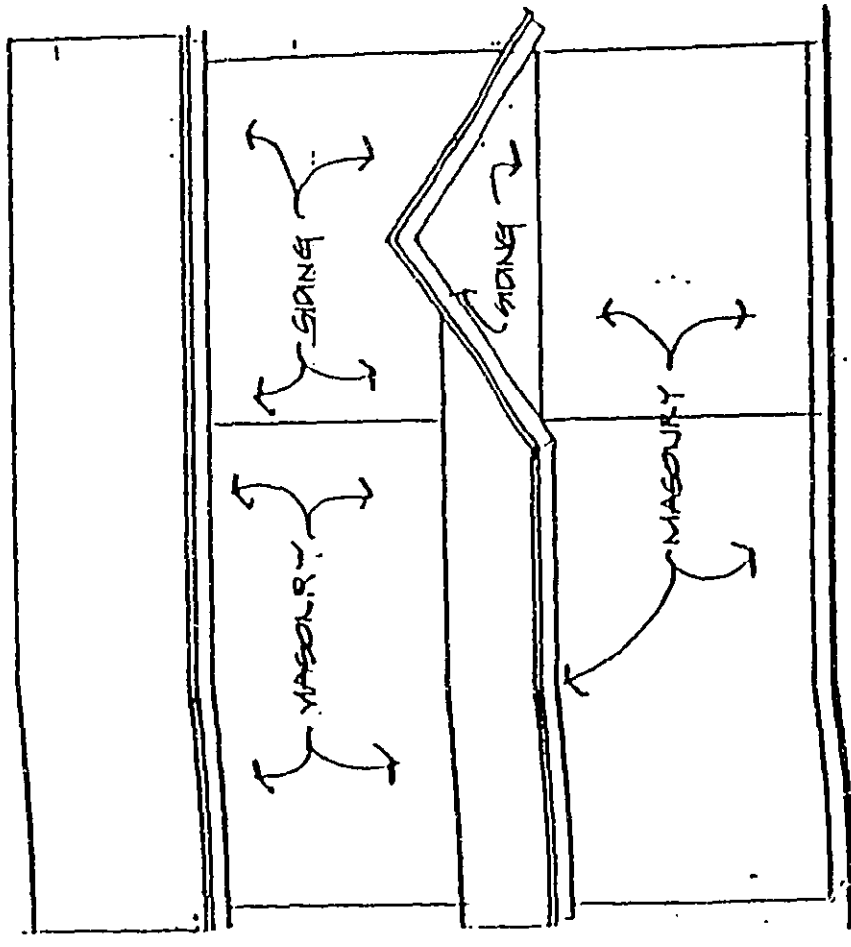


RIGHT ELEV

2 STORY



REAR ELEV



FRONT ELEV

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NOV 6 2 49 PM '89

2 STORY FRONT ELEV.

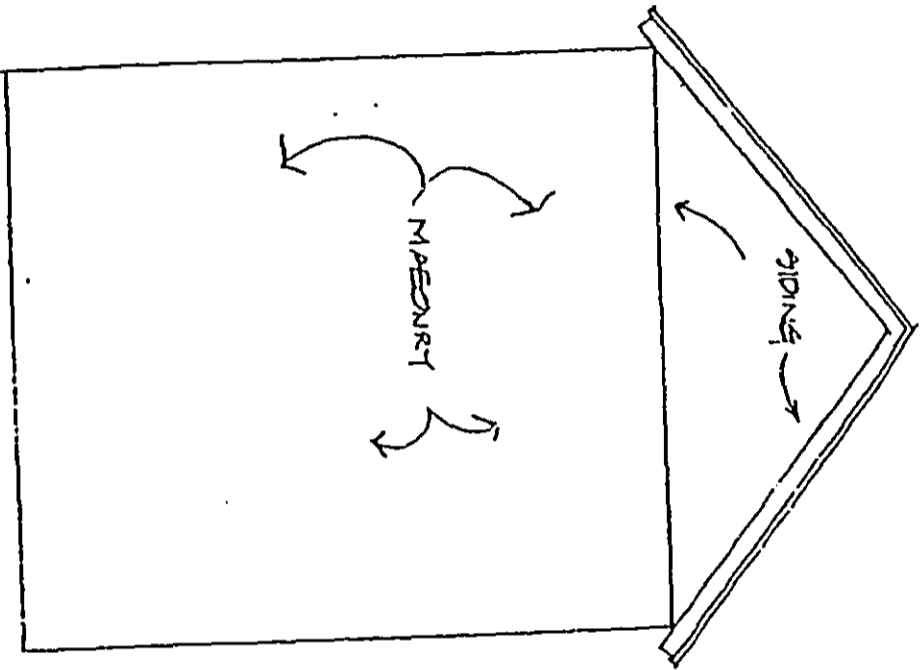


EXHIBIT "A"

RECORDED

RECORDER'S MEMORANDUM

AT THE TIME OF RECORDATION, THIS INSTRUMENT WAS FOUND TO BE MADE FOR THE BEST PHOTOGRAPHIC REPRODUCTION BECAUSE OF ILLEGIBILITY, CARBON OR PHOTO COPY, DISCOLORED PAPER, ETC.

Any provision herein which restricts the sale, rental, 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 the date and at the time stamped hereon by me and was duly RECORDED in the Official Public Record of Real Property of Bexar County, Texas on:

NOV 04 1994



Robert D. Green

COUNTY CLERK BEXAR CO.

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Filed for Record in:
BEXAR COUNTY, TX
ROBERT D. GREEN/COUNTY CLERK

On Nov 03 1994

At 9:32am

Receipt #: 85085
Recording: 37.00
Doc/Mgmt: 6.00
Doc/Num : 94-0194162
Deputy - Jane Hernandez