

OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

CHURCHILL BLUFFS UNIT 1 PLANNED UNIT DEVELOPMENT

AND DECLARATION FOR

CHURCHILL BLUFFS HOMEOWNERS ASSOCIATION

THE STATE OF TEXAS §

COUNTY OF BEXAR §

THIS DECLARATION is made on the date hereinafter set forth by Churchill Bluffs, Ltd., a Texas limited partnership, hereinafter referred to as "Declarant".

WITNESSETH:

WHEREAS, Declarant has create a residential community with designated single-family residential lots "Lots" and "Common Facilities" (as those terms are defined herein) for the benefit of the present and future owners of said Lots on the following described real property owned by Declarant or as to which Declarant has reserved by deed the right to file this Declaration without the necessity of joinder of the owner or lien holder thereof; and

Lots 1-32, inclusive, Block 1, New City Block 18318, CHURCHILL BLUFFS UNIT 1 PLANNED UNIT DEVELOPMENT, Bexar County, Texas, according to plat thereof recorded in Volume 9529, Page 68, Deed and Plat Records of Bexar County, Texas;

WHEREAS, Declarant has subdivided the above-described real property as shown by the map and plat of such subdivision, which map and plat has heretofore been filed as the true and correct survey, map, and plat thereof, and which subdivision shall be effectively known as CHURCHILL BLUFFS UNIT 1 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 above-described real 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;

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 and enforcing the covenants and restrictions and collecting and disbursing the assessments and charges hereinafter created;

WHEREAS, CHURCHILL BLUFFS 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 said CHURCHILL BLUFFS UNIT 1 PLANNED UNIT DEVELOPMENT;

NOW, THEREFORE, Declarant declares that the property constituting CHURCHILL BLUFFS UNIT 1 PLANNED UNIT DEVELOPMENT shall hereafter be subject to the jurisdiction and assessments of Churchill Bluffs Homeowners Association, and shall be held, transferred, sold, occupied, and enjoyed subject to the covenants, restrictions, easements, charges, and liens hereinafter set forth in this Declaration, 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 CHURCHILL BLUFFS HOMEOWNERS ASSOCIATION, a Texas non-profit corporation, its successors and assigns as provided for herein.

(b) "Properties" shall mean and refer to the above described properties known as Churchill Bluffs Unit 1 Planned Unit Development, and additions thereto, as are subject to this Declaration or any Amended or Supplemental Declaration.

(c) "Lot" shall mean and refer to each of the plots of land numbered Lots 1-32, inclusive, County Block 18318, CHURCHILL BLUFFS UNIT 1 PLANNED UNIT DEVELOPMENT, Bexar County, Texas, as shown on the Subdivision Plat.

(d) "Subdivision Plat" shall mean and refer to the map or plat of Churchill Bluffs Unit 1 Planned Unit Development, filed for record in Deed and Plat Records of Bexar County, Texas and any amendment thereof upon filing of same for record in the Deed and Plat Records of Bexar County, Texas.

(e) "Living Unit" shall mean and refer to a single family residence and its attached or detached garage situated on a lot.

(f) "Single Family" shall mean and refer to a group related by blood, adoption, or marriage or a number of unrelated roommates equal to the number of bedrooms in a living unit.

(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 for the performance of an obligation.

(h) "Declarant" shall mean and refer to Churchill Bluffs, Ltd., its successors or assigns who are designated as such in writing by Declarant, and who consent in writing to assume the duties and obligations of the Declarant with respect to the Lots acquired by such successor or assign.

(i) "Committee" and "Architectural Review Committee" or "ARC" shall mean and refer to the committee created herein by Declarant subject to the provisions hereinafter provided.

(j) "Common Areas" and "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. The initial Common Area to be conveyed to the Association consists of Lot 31 (private streets), Lots 30 and 32 (greenbelts) and the drainage right of way shown on the Subdivision Plat. In addition, Common Facilities may include, but are not necessarily limited to the following: entry gate, entry walls and monuments, parkways, medians, islands, landscaping, Bitters Road walls, greenbelts, and other similar or appurtenant improvements.

(l) "Member" shall mean and refer to all those owners who are members of the Association as provided herein.

(m) "Builder Member" shall mean such builders approved by Declarant for construction within the Subdivision and who own one or more Lots for construction of a residence and sale to others.

(n) "Board of Directors" and "Board" shall mean and refer to the Board of Directors of Churchill Bluffs Homeowners Association, the election and procedures of which shall be as set forth herein and in the Articles of Incorporation and By-Laws of the Association.

(o) "Declaration" shall mean and refer to this Declaration of Covenants, Conditions and Restrictions for Churchill Bluffs Planned Unit Development and any amendments or supplements hereto made in accordance with the terms hereof.

ARTICLE II

SUBDIVISION PLAT AND CERTAIN EASEMENTS AND USE

Section 1. Subdivision Plat. The Subdivision Plat creates for use as such, subject to the limitations set forth herein, certain private streets and easements shown thereon, and such Subdivision Plat further establishes certain dedications, limitations, reservations and restrictions applicable to the Properties. All dedications, limitations, restrictions and reservations shown on the Subdivision Plat are incorporated herein and made a part hereof 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 said property or any part thereof.

Section 2. Certain Other Easements. There is hereby created in favor of the easement owners, Declarant, the Association, and their assignees, a right of ingress or egress across, over, and under the Properties for the purpose of installing, replacing, repairing, and maintaining all facilities for utilities, including, but not limited to, water, sewer, telephone, electricity, gas, and appurtenances thereto, and to construct, reconstruct, repair, correct, replace, or maintain any wall, fixture, light, or other structure or item required to be constructed or maintained under the terms hereof or to correct or remove any condition prohibited to be maintained under the terms hereof. Such easements specifically include, but are not limited to, the right of Declarant and the Association to enter upon Lot 1 for the purposes of maintaining or reconstructing any masonry wall, fence, entry monument and/or signage constructed thereon by Declarant and to be owned and maintained by the Association as part of the Common Facilities.

Section 4. Use of Easements and Damages. Neither the Declarant nor the Architectural Review Committee nor any member of the Committee shall be liable for any damage done by any utility company or their assigns, agents, employees or servants, using any easements now or hereafter in existence, whether located on, in, under or through the Properties, to fences, shrubbery, trees or flowers or other property now or hereinafter situated on, in, under, or through the Properties. No provision hereof related to placement or nature of structures or conditions on a Lot, nor the approval thereof, express or implied, by the Declarant or the Committee shall affect the rights of easement owners nor enlarge the rights of Lot Owners with regard to the construction or maintenance of improvements or conditions within an easement area.

ARTICLE III

PROPERTY SUBJECT TO THIS DECLARATION:
ADDITIONS OR MODIFICATIONS THERETO

Section 1. Existing Property. The real property which is, and shall be, held, transferred, sold, conveyed and occupied subject to this Declaration are the above-described Lots 1-32, inclusive, as shown on the Subdivision Plat, which real property is sometimes hereinafter referred to as the "Existing Property".

Section 2. Additions to Existing Property. Additional lands may become subject to this Declaration in the following manner:

The owner of any property who desires to add to it the scheme of this Declaration and to subject it to the jurisdiction of the Association, may make written submission therefore to the Association together with the following:

- (1) The proposed property shall be described by size, location, proposed land use, and general nature of proposed private improvements;
- (2) the proponent shall describe the nature and extent of common facilities to be located on the proposed property and fully describe any mortgage debt related to the common facilities or other debt which he seeks the Association to assume;
- (3) the proponent shall state that the proposed additions if made will be subjected to the general scheme of this Declaration and all Association assessments.

Upon such submission and the Association's later review and approval of a proposed form of Declaration of Covenants, Conditions and Restrictions for the proposed property, the Association shall vote by class on the proposal. Two-thirds (2/3) approval of each class of membership shall be required for approval. If the proposed property shall be approved for addition to the jurisdiction of the Association, such addition shall be complete upon the proponent's filing of record a Declaration of Covenants, Conditions and Restrictions or similar instrument in form approved by the Board of Directors of the Association and executed by said Board of Directors or one or more authorized officers of the Association.

ARTICLE IV

CLASSES OF MEMBERSHIP

The Association shall have the following classes of membership:

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 for Article I (g), above. When more than one person holds such interest of interests in any Lot, all such persons shall be Members, and the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such Lot.

Class B. Class B Members shall be the Declarant and Builder Members. Class B Members shall be entitled to three votes for each Lot in which they hold the interest required by Article I (g), above, provided that the Class B membership shall cease and become converted to Class A membership on the happening of the following events, whichever occurs earlier:

- (a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or
- (b) On January 1, 2010.

From and after the happening of these events, whichever occurs earlier, the Class B Members shall be deemed to be Class A Members entitled to one vote for each Lot in which they hold the interest required for membership under Article I (g), above.

ARTICLE V

PROPERTY RIGHTS IN THE COMMON FACILITIES

Section 1. Members' Easements of Enjoyment. Subject to the provisions of Section 3 of this Article V, 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 2. Entry Gate. Absent Declarant's written consent to the contrary, the subdivision entry gate shall be kept open to the public during daylight hours until three months following the conveyance of the last Lot owned by Declarant within the Existing Properties. This right of entry is to ensure access to Lots by prospective new home purchasers.

Section 3. 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 and/or in Article II hereof.
- (b) The rights of the Association, once it has obtained legal title to the Common Facilities, to do the following:
 - (1) to borrow money for the purpose of constructing or improving the Common Facilities and, in aid thereof, to mortgage said properties and facilities, in accordance with the terms hereof and of the Articles of Incorporation and Bylaws of the Association;
 - (2) to take such steps as are reasonably necessary to protect the above-described properties and facilities against foreclosure; and
 - (3) to enter into one or more contracts or agreements for the maintenance or improvement of the Common Facilities.

Section 4. Title to Common Areas. The Association shall own all Common Areas in fee simple and assume all maintenance obligations with respect to any Common Areas which may be established. From and after the date on which title to any Common Area 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 Areas. 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 insured as well as third parties.

The Association shall not convey or mortgage any Common Area without the consent of two-thirds (2/3rds) or more of the Lot Owners.

ARTICLE VI

ASSESSMENTS

Section 1. Creation of Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned by it within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association: (1) annual assessments or charges and (2) special assessments for capital improvements or extraordinary expenses, such assessments to be fixed, established, and collected from time to time as hereinafter provided. 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.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used for the purpose of promoting recreation, health, safety and welfare of the Members, preserving or enforcing the rights and obligations of the Owners and the Association, or for the improvement, maintenance and operation of the properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Properties by the Members.

Section 3. Basis and Maximum of Annual Assessments. The annual assessments 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, but until January 1, 1996, the annual assessment for Improved Lots shall not exceed \$600.00 and the annual assessment for Unimproved Lots shall not exceed \$150.00. From and after January 1, 1996, the maximum annual assessment for Improved Lots and maximum annual assessment for Unimproved Lots may be as provided in Section 5 hereof. A Lot shall be deemed to be an "Improved Lot" when construction of a Living Unit thereon is completed, and a closing of a sale thereof has taken place, or when a Living Unit on the Lot has been occupied as a residence, whichever first occurs. All other Lots shall be "Unimproved Lots". In no event shall the annual assessment for Unimproved Lots ever exceed more than twenty five percent (25%) of the annual assessment for Improved Lots.

Section 4. Special Assessments. In addition to the annual assessments provided for in Section 3, 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, or to finance or defray the cost of any extraordinary expense of the Association, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each of the Improved Lot Owners who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all Improved Lot Owners at least 30 days in advance and shall set forth the purpose of the meeting.

Section 5. Change in Basis and Maximum of Annual Assessments. For all annual assessments accruing after January 1, 1995, the maximum 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 the previous year without a vote of the membership. Any increase in the maximum annual assessment of more than ten percent (10%) above that of the previous year shall require approval of two-thirds (2/3) vote of each class of Members voting at a meeting duly called for that purpose.

Section 6. Quorum for Any Action Authorized Under Sections 4 and 5. The quorum required for any action by Members authorized by Sections 4 and 5 hereof shall be as follows:

At the first meeting called, as provided in Sections 4 and 5 hereof, the presence at the meeting of Members, or of proxies, entitled to cast sixty (60) percent of all the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the requirements set forth in Section 4 and 5, 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 ninety (90) days following the preceding meeting.

Section 7. Date of Commencement of Annual Assessments: Due Date. The annual assessments provided for herein shall commence as to all Lots on conveyance by Declarant of the first Lot, but in any event by January 1, 1995. The first annual assessments shall be made for the balance of the year 1995. Beginning January 1, 1995, the assessments for each calendar year shall become due and payable and shall be collected quarterly in advance. The amount of the annual assessment which may be levied on a Lot 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 after the annual assessment for it as an Unimproved Lot has been paid, there shall be payable as of the first day of the month following the month when it becomes an Improved Lot, a sum equal to the difference between the annual assessments for Unimproved Lots and the annual assessment for Improved Lots prorated over the balance of the year then remaining. The due date of any special assessment under Section 4 hereof shall be fixed in the resolution authorizing such assessment.

Section 8. Duties of the Board of Directors. In December of each year, 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 thereupon 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 or the balance due. Such certificate, when signed by an authorized officer or agent of the Association, shall be conclusive evidence of payment of any assessment herein stated to have been paid. The Association may charge a reasonable fee for issuing such a certificate.

Section 9. Effect of Non-Payment of Assessments: The Lien; Remedies of the Association. If any assessment or other sum due the Association hereunder is not paid on the date when due, then such assessment or amount shall become delinquent and shall, together with such interest thereon and cost of collection

thereof provided, thereupon becoming 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 twelve percent (12%) per annum, and the Association may bring an action at law against the Owner to pay the same or to foreclose the Association's 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. Each Owner, by his acceptance of a deed to a Lot, hereby expressly vests in the Association, or its agents, the right and power to bring all actions against such Owner personally for the collection of such charges as a debt and to enforce the aforesaid lien by all methods available for the enforcement of such liens, including non-judicial or judicial foreclosure by an action brought in the name of the Association, with a power of sale in connection with said lien. The lien shall be in favor of the Association and shall be for the benefit of all other Lot Owners. No Owner shall be freed of liability for any assessments provided for herein by virtue of non-use of Common Area, or non-existence of Common Area.

In addition to the foregoing charges for delinquent accounts, each owner shall be obligated to pay to the association all actual costs of collection incurred by the Association and such reasonable late charges and collection charges as the Board of Directors may establish, all of which costs and charges shall also be subject to the liens of the Association.

Section 10. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages now or hereinafter placed upon the Lots subject to assessment, provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to the sale or transfer of such Lot pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve such Lot from liability for any assessment thereafter becoming due, nor from the lien of any such subsequent assessment.

Section 11. Exempt Property. The charges and liens created herein shall apply only to the Lots, and the remainder of the Properties shall not be subject thereto.

ARTICLE VII

ARCHITECTURAL REVIEW COMMITTEE

There is hereby created an Architectural Review Committee, which shall be comprised of three members only and shall be initially composed of Lloyd A. Denton, Jr., Daniel D. Kossl, and Todd P. Helmer, to serve until their successors are named. A majority of Committee may act for the Committee and no notice of any of its meetings shall be required. In the event a vacancy on the Committee shall arise, the remaining member or members of the Committee may fill such vacancy by appointment, and if they fail to do so within 30 days, then Declarant may do so. In the event any vacancy on the Committee shall not be filled within 60 days, then the Board of Directors may fill such vacancy by appointment provided, however, that in the event that Declarant still owns any Lots subject to the jurisdiction and assessments of the Association, the Board shall first give Declarant written notice of such vacancy and 30 days within which to make such appointment. Subject to the terms hereinafter set forth, Declarant shall have the right to remove or add members to the Committee and fill vacancies in the committee membership and Declarant may assign such rights to the Association. The sale of

the last Lot owned by Declarant within the Properties shall be deemed to be an assignment to the Association of Declarant's powers with respect to ARC membership. Committee members shall not be entitled to compensation for their services rendered in such capacity.

No building, fence, wall, outbuilding or other structure or improvement shall be erected, altered, added onto, placed or repaired on any lot in the subdivision until the complete plans including site plans, grading plans, floor plans depicting room sizes and layouts, exterior elevations, any other plans or information deemed necessary by the ARC for the performance of its function ("Required Plans"), are submitted and approved in writing by the Architectural Review Committee as to the conformity and harmony of exterior design with existing structures in the Subdivision, the location with respect to topography, existing trees, and finished elevation, and apparent conformity with the requirements of this Declaration. In addition, the Owner shall submit the identity of the individual or company intended to perform the work and projected commencement and completion dates. The Architectural Review Committee shall have the power to employ professional consultants to assist it in discharging its duties and may create and impose reasonable fees for processing of applications.

Within thirty (30) days after the Owner has submitted to the Committee the Required Plans and written notice that the Owner desires to obtain ARC approval, the Committee shall notify Owner in writing whether the Required Plans are approved or disapproved. If plans and specifications are not sufficiently complete or are otherwise inadequate, the ARC may reject them as being inadequate or may approve or disapprove them in part, conditionally or unconditionally, and reject the balance. In the event the plans submitted by the Owner have not been approved or disapproved within thirty (30) days after being submitted, the plans so submitted will be deemed to have been approved but a deemed approval shall not permit a violation of any of the terms of this Declaration nor extend to any deviation from or alteration to the plans actually submitted nor to any matter requiring a written variance.

The 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 interpretation. The goal of the Committee is to encourage the construction of dwellings of good architectural design, quality and proper size compatible with Declarant's conceptual plan for the subdivision. Dwellings should be planned and designed with particular attention to the design and aesthetic appearance of the exterior and the use of such materials, which, in the sole judgement of the Committee, create an attractive and harmonious blend with existing and proposed dwellings in the immediate area and the natural surroundings. The Committee may disapprove the construction or design of a home on purely aesthetic grounds where, in its sole judgement, such disapproval is required to protect the continuity of design or values of the neighborhood and of other homeowners or to preserve the serenity and natural beauty of any surroundings. Members of said Committee and their representatives shall not be liable to any person subject to or possessing or claiming the benefits of these restrictive covenants for any damage or injury to property or for damage or loss arising out of their acts hereunder. The Committee's evaluation of Required Plans is solely to determine compliance with the terms of this Declaration and the aesthetics or the proposed improvements and the Committee disclaims any responsibility to determine compliance with any applicable building code or other standard for construction.

The Architectural Review Committee shall have the right, but not the obligation, to grant variances and waivers relative to deviations and infractions of the Declaration or to correct or avoid hardships to Owners. Upon submission of a written request for same, the ARC may, from time to time, in its sole discretion, permit an owner to construct, erect or install a dwelling which is in variance from the covenants, restrictions or architectural standards which are provided in this Declaration. In any case, however, the dwelling with such variances must, in the Committee's sole discretion, blend effectively with the general architectural style and design of the neighborhood and must not detrimentally affect the integrity of the subdivision or be incompatible with the natural surroundings. All requests for variances shall be in writing, shall be specifically indicated to be a request for variance, and shall indicate with specificity the particular standard sought to be varied and the nature of the variance requested. All requests for variances shall be deemed to be disapproved if the Committee has not expressly and in writing approved such request within thirty (30) days of the submission of such request. No member of the Committee shall be liable to any owner for any claims, causes of action or damages arising out of the grant of any variance to an owner. No individual member of the ARC shall have any personal liability to any Owner or any other person for the acts or omissions of the ARC if such acts or omissions were committed in good faith and without malice. Each request for a variance submitted hereunder shall be reviewed independently of similar and the grant of a variance to any one Owner shall not constitute a waiver of the Committee's right to deny a variance to another Owner. The decisions of the Architectural Review Committee with respect to variances shall be final and binding upon the applicant.

All decisions of the Committee shall be final and binding, and there shall not be revisions of any action of the Committee except by procedure for injunctive relief when such action is patently arbitrary and capricious. In the event of construction of improvements or threatened construction of improvements in violation of this Declaration, any Owner, the Association, Declarant or the Committee may seek to enjoin such construction or seek other relief against the Owner or builder responsible therefor provided that each such offending party shall first be given written notice of the perceived violation and the opportunity to remedy the violation prior to the filing of suit. Neither the Declarant, the Architectural Review Committee, nor any member of such Committee shall be liable in damages, or otherwise, to anyone submitting plans and specifications for approval or to any Owner who believes himself adversely affected by this Declaration by reason of mistake of judgement, negligence or non feasance in connection with the approval or disapproval of plans or requests for variance.

The Architectural Review Committee shall be duly constituted and shall continue to function for the entire duration of this Declaration, including any extensions thereof. At such time as Declarant no longer owns any Lots subject to the jurisdiction and assessments of the Association, the Board of Directors shall have the right and obligation to appoint the members of the Committee.

ARTICLE VIII

USE RESTRICTIONS

Section 1. Residential Only. The Existing Property shall be used only for the development of private single-family residences, and Common Facilities serving the Owners and residents thereof.

Section 2. Permitted Use. All land included within the Properties shall be used for "residential purposes" only, either for the construction of private single-family residences, including an enclosed private garage for not less than two (2) automobiles or as part of the Common Facilities; provided, however, that only one such private single-family residence may be constructed, or otherwise placed upon, any one Lot. The terms "residential purposes" as used herein shall be held and construed to exclude any business, commercial, industrial, apartment house, hospital clinic and/or professional uses, and such excluded uses are hereby expressly prohibited subject solely to the use by each Builder Member of residences within the Properties as temporary sales offices and model homes for the display and sale of Lots within the Properties and no others. This restriction shall not, however, prevent the inclusion of permanent living quarters for domestic servants or to allow domestic servants to be domiciled with an owner or resident.

Section 3. Size and Height. No building or structure erected, altered or placed on, within or in the Properties shall exceed thirty-five feet (35') in average height (measured from the top of the foundation to the topmost part of the roof) nor be more than two and one-half (2-½) stories in height without the written consent of the Architectural Review Committee; provided, however, that all applicable ordinances, regulations, and statutes with respect to the maximum height of building and structures shall be complied with at all times.

Each single story or one and one-half (1½) story building or structure shall contain not less than 1,600 contiguous square feet of living area, and each two story or two and one-half (2½) story building or structure shall contain not less than 1,800 contiguous square feet of living area, such areas to be exclusive of open or screened porches, terraces, patios, driveways, carports, garages, and living quarters for domestic servants separated or detached from the primary living area.

Section 4. Placement of Structures on Lots and Sideyards. All buildings or other structures, permanent or temporary, habitable or not, must be constructed, placed and maintained in conformity with the setback lines hereby established and those shown on the Subdivision Plat, if any. In no event shall any such building or other structure be constructed, placed or maintained within twenty feet (20') of any front Lot line, within five feet (5') of any side lot line, or within twelve feet (12') of the rear boundary of the Lot (except cul-de-sac Lots on which the rear setback shall be ten (10) feet with no part of the structure closer than five feet (5') to the rear lot line, and corner Lots on which a structure may be placed no closer than ten feet (10') to the side street); provided, however, that for good cause shown a residence or garage may be allowed to be erected closer than twenty feet (20') to the front boundary line of a Lot with written approval of the Architectural Review Committee and detached garages and temporary structures may be situated as near as five feet (5') to the rear of a Lot and as near as five feet (5') to a side lot line, provided there shall be no projections nor encroachment into any utility or drainage easement. Eaves of buildings shall not be deemed to be a part of a building or structure, but steps and porches shall be deemed to be a part of a building or structure for the purpose of this covenant. In no event may any structure be constructed or maintained upon any utility or other easement.

Section 5. Radio or TV Antennae. No radio or television aerial wires or antennae or other radio or television related apparatus or equipment shall be placed or maintained on any residence or on any other exterior portion of a Lot except with the prior written approval of the Architectural Review Committee which shall have the authority to disapprove the installation of same. With the prior written consent of the Architectural Review

Committee, a satellite disc or dish may be placed on a Lot where not visible from a street or adjacent Lots and where such location does not adversely affect the view from an adjacent Lot.

Section 6. Solar Panels and Systems. No solar panels or solar heating or electrical system or similar apparatus shall be placed in or upon any Lot without the prior approval of the Committee which shall have the authority to disapprove the installation of same or to limit the installation of same so that no portion thereof is visible from any street.

Section 7. Athletic Facilities. Tennis court lighting and fencing shall require the prior written approval of the Architectural Review Committee and any Owner desiring to install the same shall submit design and site plans, landscaping plans, and lighting specifications. Landscaping and fencing requirements may be set by the Committee for the purpose of screening courts in an aesthetically pleasing manner. No basketball goals or backboards or any other similar sporting equipment of either a permanent or temporary nature shall be located on any Lot closer than ten feet (10') from the front property line or closer than five feet (5') to the side property line. The ARC will have the right to regulate the appearance and placement of all sporting apparatus including basketball goals.

Section 8. Fences. Fences located between the main structure and any side Lot line (wing walls) shall not be required, but if built shall be all masonry or a combination of masonry and wrought iron, masonry and 1 x 4 cedar wood privacy fencing, or 1 x 4 wood privacy fencing. Fences located along a side Lot line adjoining another Lot shall not be required, but if built, shall be all masonry, masonry and wrought iron, masonry and 1 x 4 wood privacy fencing, or 1 x 4 wood privacy fencing. Fences on corner Lots along the side Lot line adjacent to a street shall not be required, but if built shall be all masonry, masonry and wrought iron, masonry and 1 x 4 wood privacy fencing, or 1 x 4 wood privacy Fencing. All masonry columns shall be a minimum size of sixteen (16") inches square. All wood fencing facing a street shall be 1 x 4 inch dog eared fencing. A site plan reflecting fence location as well as a diagram detailing materials, elevations, and style is to be submitted and approved by the ARC prior to installation.

Except as otherwise specifically herein provided, wherever masonry or masonry columns are used in the construction of a fence or wall on a Lot, the masonry shall match the primary masonry used on the main residence building on the Lot.

No fence, wall, or hedge shall be built or maintained forward of the front wall line of the main structure, except for decorative walls or fences which are part of the architectural design of the main structure, and retaining walls, provided the Committee approves of same in writing. No chain-link fences may be built or maintained on any Lot, except in connection with tennis courts, provided such fence is vinyl clad, is properly landscaped, and is reasonably screened from public view, or a rear yard dog run so located or screened as to not be visible from any street or unless approved in writing by the ARC. Any fences over six feet (6') in height must be approved in writing by the Architectural Review Committee.

Notwithstanding the foregoing, the Architectural Review Committee is empowered to waive the aforesaid composition requirements for fences and the aforesaid height or setback limitation in connection with retaining walls and decorative walls if, in its sole discretion, such waiver is advisable in order to accommodate a unique, attractive or advanced building concept design or material and the resulting fence, decorative wall and/or retaining wall (whichever is applicable) will not detract from the general appearance of the neighborhood.

No fence, wall, hedge, or shrub planting which obstructs sight lines at elevations between two and six feet above 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 25 feet 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 10 feet from the intersection of street property lines with the edge of a driveway. 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.

Each Owner shall maintain all fencing placed on his Lot in a neat appearing and usable condition including the reconstruction or replacement of fences which are tilted more than ten (10) degrees from a vertical position.

Section 9. Garages. A garage or porte-cochere able to accommodate at least two (2) automobiles must be constructed and maintained for each residence. Garages will be allowed as builder's sales offices but must be reverted to use as a garage upon the conveyance or occupancy of home by a resident.

Section 10. Roofing. The surface of roofs of principal and secondary structures, including garages and domestic living quarters, shall be of slate, stone, concrete tile, clay tile, or other tile or a ceramic nature; or they may be metal, left natural or painted a color approved by the Architectural Review Committee, using standing or batten seams; or they may be a dimensional composition shingle with a 25-year or longer manufacturer's warranty; or they may be of wood shingle or wood shake if they meet minimum fire retardant criteria and are permitted by governmental authorities. The Architectural Review Committee shall have the authority to approve other roof treatments and materials if the form utilized will, in its sole discretion, be harmonious with the surrounding homes and Subdivision as a whole.

The Architectural Review Committee shall establish roofing criteria which are directed to (a) generally improving the quality of materials used; (b) encouraging the use of colors which are in harmony with other structures in the subdivision; and (c) establishing minimum pitch requirements.

Section 11. Masonry. The exterior walls of all one-story residences, and the lower story of all two-story residences, shall be constructed with masonry, rock, stucco or brick veneer for no less than seventy percent (70%) of the exterior wall area. In calculating the required masonry percentage, window and door openings shall be included as masonry. The builder of each residence and building shall, to the extent possible, minimize the amount of exposed foundation below the brick lug. Masonry or masonry veneer includes stucco, ceramic tile, clay, brick, rock and all other material commonly referred to in the San Antonio, Texas as masonry.

In addition to the foregoing, the front elevations of homes greater than one story shall be masonry or masonry veneer on the portions of the home where masonry can be continued directly from the first floor to higher levels. The Architectural Review Committee is empowered to waive or vary the restrictions of this Section 11, if, in its sole discretion, such waiver is advisable in order to accommodate a unique or advanced building concept, design, or material, and the resulting structure will not detract from the general appearance of the neighborhood.

No more than twenty-four inches (24") of concrete shall be exposed to view along the front elevation and the first twenty feet (20') of side elevations.

Section 12. Guttering. Guttering shall not be required but all dwellings with guttering must be guttered with downspouts being so situated as to minimize adverse drainage consequences for adjoining Lots.

Section 13. Paint and Stain. The exterior colors of all improvements on a Lot, including any repainting of improvements, shall be subject to approval by the Architectural Review Committee.

Section 14. Exterior Lighting. Exterior light fixtures shall be provided at the front door of each residence to illuminate house address number; provided, however, that no light fixture or lantern of any type shall be placed in the front yard, or in the back yard if same is visible from any other portion of the Properties or any streets, of any Lot until the same has been approved by the Committee.

Section 15. Burglar and Fire Alarms. Each residence constructed on a Lot within the Subdivision shall be pre-wired for a perimeter burglar alarm system covering all exterior doors, entries and windows and such type, number, and location of smoke detectors as stipulated by the ordinances and/or building codes of the City of San Antonio then in effect.

Section 16. Signage. No signs of any kind shall be displayed to the public view on any Lot including, but not limited to, the displaying of any signs which advertise the Lot or improvements for sale or lease, except as expressly permitted herein or by the Architectural Review Committee. Each model home may be advertised by one front yard sign not larger than four feet by eight feet (4' x 8'), which shall have been approved in advance by the Committee as to color and design. The Committee shall establish standardized sign criteria which permits the displaying of one sign per lot uniform in size, color and permitted location on the Lot, which such sign can be used to identify that an Improved Lot is for sale or lease. The Committee specifically reserves the right to establish a separate set of sign standards and criteria for Unimproved Lots and to modify both such standards and criteria from time to time, but in no event shall any sign reference bankruptcy, distressed nature of sale, or foreclosure. Signs used by Declarant to advertise the Properties during the development, construction and sales period shall be permitted, irrespective of the foregoing, but subject to size, design, and other requirements of the Committee. In addition to the foregoing, political signs may be erected upon a Lot by the Owner of such Lot advocating the election of one or more political candidates or the sponsorship of a political party, issue or proposal provided that such signs shall not be erected more than 90 days in advance of the election to which they pertain and are removed within 15 days after the election, and that the ARC shall have the right to regulate the number and size and type of political signs on Lots. All other signage is prohibited such as but not limited to, subcontractors, lenders, real estate companies, etc. All signs within the Properties shall be subject to the prior written approval of the ARC.

Section 17. Temporary Structures and Facilities. Except as expressly provided herein, no structure of a temporary character (sales structure, trailer, tent, shack, garage, barn or other outbuildings) shall be used on any Lot at any time for storage or as a residence, either temporarily or permanently. No prefabricated dwelling or building previously constructed elsewhere may be placed or maintained on any Lot. No modular or mobile home, whether or not the wheels have been removed, may be placed or maintained on any Lot. All structures of a temporary character must be approved by the Architectural Review Committee.

Notwithstanding the foregoing provisions, Declarant reserves unto itself and Builder Members acting as such the exclusive right to erect, place, and maintain such facilities in or upon any portions of the Properties as Declarant in its sole discretion may determine to be necessary or convenient while selling Lots, selling or constructing residences and constructing other improvements upon the Properties. Each Builder Member may

not, however, utilize more than one mobile trailer or similar vehicle as such a temporary facility, may use such as a sales or construction office only in support of sales and construction activities within Churchill Bluffs Unit 1 Planned Unit Development, and each such mobile trailer or similar vehicle shall be parked within a Lot owned by such Member, the location of which shall have been approved in advance by Declarant. In addition, each Owner shall have the right to erect, place, and maintain on his Lot such temporary facilities other than mobile trailers or similar vehicles as may be necessary or convenient for construction of a residence thereon and each Owner engaged in the construction of residences within the Properties for sale shall have the right to erect, place, and maintain temporary facilities for offices, storage, and accumulation of reasonable amounts of construction debris while so engaged in the construction of residences within the Properties.

Section 18. Outbuilding and Exterior Modifications. Every outbuilding, inclusive of such structures as a storage building, pool house, servants' quarters, greenhouse or children's playhouse, shall be compatible with the dwelling to which it is appurtenant in terms of its design and material composition. The design, materials and location of all such buildings shall be subject to the prior written approval of the Committee.

Every proposed addition or exterior modification to any structure or improvement shall be subject to the terms of this Declaration and the plans and specifications for same shall be submitted to the Committee for approval.

Section 19. Animals. No sheep, goats, horses, cattle, swine, poultry, snakes, livestock, or other animals of any kind shall ever be raised, kept, bred, or harbored on any portion of the Properties, except that dogs, cats, or other common household pets (not to exceed a total of three (3) adult animals); adult animal for the purposes of these covenants is an animal which is one (1) year of age or older, may be kept, provided that they are not kept, bred, or maintained for any commercial purposes and provided further that such common household pets shall at all times, except when they are confined within the boundaries of a private single-family residence or Lot upon which same is located, be restrained or controlled by a leash, rope, or similar restraint or a basket, cage, or other container.

Section 20. Accumulation of Trash and Rubbish. Except as otherwise expressly provided in this Section, no trash, rubbish, garbage, manure, putrescible matter or debris of any kind shall be dumped or allowed to accumulate on any portion of the Properties. All rubbish, trash, or garbage shall be kept in sanitary refuse containers with tightly fitting lids, and, shall not be stored, kept, placed or maintained on any Lot where visible from any street except solely on a day designated for removal of garbage and rubbish and on which days only such cans, bags, containers, and receptacles may be placed in front of a residence and beside a street for removal but shall be removed from view before the following day. All said containers stored outside be kept in an area of the Lot adequately screened by planting or fencing.

Reasonable amounts of construction materials and equipment may be stored upon a Lot by the Owner thereof for reasonable periods of time during the construction of improvements thereon provided that the same shall not be stored or kept within any drainage easement area.

Section 21. Utility Easements. Easements for installation and maintenance of utilities, cable television, and drainage facilities have been reserved as shown on the Subdivision Plat and/or as provided by instruments of record or to be recorded. Within these easements, if any, 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 in the case of drainage easements, which may change the direction of flow of water through drainage channels in such easements. The easement area of each Lot, if any, and all improvements in such area shall be maintained continuously by the owner of the Lot, except for those improvements for which a public authority or utility or private company is responsible. Neither Declarant, the Committee, the Association, nor any utility company using the easements herein referred to shall be liable for any damage done by them or their assigns, agents, employees, or servants to shrubbery, grass, streets, flowers, trees, landscape or other property of the owners situated on the land covered by said easements, except as may be required by State, County or Municipal statutes, ordinances, rules or regulations or by the Association or by custom and practice of such utility company.

Section 22. Drainage Easements. Easements for drainage throughout the subdivision are identified and reserved as shown on the Subdivision Plat.

A. No Owner of any Lot in the subdivision may perform or cause to be performed any act which would alter or change the course of such drainage easements in a manner that would divert, increase, accelerate or impede the natural flow of water over and across such easements. More specifically, and without limitation, no Owner may:

(1) Alter, change or modify the existing natural vegetation or design of the drainage easements in a manner that changes the character of the design or original environment of such easements; or

(2) Alter, change or modify the existing configuration of the drainage easements, or fill, excavate or terrace such easements or remove trees or other vegetation therefrom without the prior written approval of the Architectural Review Committee; or

(3) Construct, erect or install a fence or other structure of any type or nature within or upon such drainage easement; provided however, fences may be permitted in the event proper openings are incorporated therein to accommodate the natural flow of water over said easement; or

(4) Permit storage, either temporary or permanent, of any type upon or within such drainage easements; or

(5) Place, store or permit to accumulate trash, garbage, leaves, limbs or other debris within or upon the drainage easements, either on a temporary or permanent basis.

Declarant hereby reserves the right to record an Area Grading Plan for the Subdivision within six months of recording of this Declaration, without necessity of joinder by any other Owner or party. The original of the grading plan will be maintained in the office of Declarant. Every Owner and contractor shall ensure compliance with the required elevations and terms of the grading plan in the construction of any residence or other improvements on a Lot. Declarant shall have the right to amend the grading plan for the Subdivision, or one or more Lots within the Subdivision, without requirement of amending this Declaration but will, in such event, advise all affected Owners in writing.

The failure of any Owner to comply with the provisions of this Article shall in no event be deemed or construed to impose liability of any nature on the Architectural Review Committee and/or Declarant, and such Committee and/or Declarant shall not be charged with any affirmative duty to police, control or

enforce such provisions. The drainage easements provided for in this Declaration shall in no way affect any other recorded easement in the Subdivision.

Section 23. Maintenance of Easements. By acceptance of a deed to any one or more Lots, the Owner thereof covenants and agrees to keep and maintain, in a neat and clean condition, any easement which may traverse any portion of said Lot or Lots, including, without limitation, by removing weeds, mowing grass and trimming shrubbery and trees, if any, within such area.

Section 24. Maintenance of Yards, Irrigation Systems, Etc. The Owners of all Lots shall keep grass and vegetation well mown and trimmed, shall promptly remove all weeds as they grow and all trees, shrubs, vines and plants which die, and shall keep all yard areas in a sanitary, healthful, and attractive manner. Lawns, front and back, must be mowed at regular intervals, and fences must be repaired and maintained in an attractive manner. No objectionable or unsightly usage of Lots, or condition on any Lot will be permitted which is visible to the public view. Building materials shall not be stored on any Lot except when being employed in construction upon such Lot, and any excess materials not needed for construction and any building refuse shall promptly be removed from such Lot. The drying of clothes in full public view is prohibited and the Owners or occupants of any Lots at the intersection of streets or adjacent to parks, playgrounds or other facilities where the rear yard or portion of the Lot is visible to public view from a street or Common Area shall construct and maintain an inner fence or other improvements to adequately screen from view of streets and Common Area any of the following: the drying of clothes, yard equipment, wood piles or storage piles which are incident to the normal residential requirements of a typical family. Trash, garbage or other waste materials shall be kept in a clean and sanitary condition.

In the event of default on the part of the Owner or occupant of any Lot in observing the above requirements or any of them, such default continuing ten (10) days from date of a written notice thereof deposited in the United States mails, Declarant, or the Association may, without liability to Owner or any occupants in trespass or otherwise, enter upon said Lot, cut or cause to be cut, such lawn, weeds and grass and remove or cause to be removed, such dead vegetation, garbage, trash and rubbish or do any other thing necessary to secure compliance with the terms of this Declaration, so as to place said Lot in a neat, attractive, healthful and sanitary condition, and may charge the Owner or occupant of such Lot for the cost of such work, plus a reasonable administrative charge and reasonable attorney's fees. The Owner or occupant, as the case may be, agrees by the purchase or occupation of the Lot to pay such statement immediately upon receipt thereof. The sum due shall be a charge on the Lot and shall be a continuing lien upon the Lot against which such sums are due, and may be enforced in accordance with the provisions of hereof or otherwise as provided by law.

Until a Living Unit is built on a Lot, Declarant may, at its option, have the grass, weeds and vegetation cut when and as often as it determines necessary, and have dead trees, shrubs and plants removed therefrom. Declarant may also, at its option, remove any excess building materials or building refuse situated on a Lot in violation of this covenant. The Owner of such Lot shall be obligated to reimburse Declarant for the cost of any such maintenance or removal upon demand. The sum due shall be a charge and a continuing lien on the Lot against which such sums are due, and may be enforced in accordance with the provisions of hereof or otherwise as provided by law.

Each Owner shall provide and maintain safe and adequate drainage within and across his Lot and no Owner shall construct or maintain any building, fence, walk, landscaping, or any

condition which diverts, impedes, backs up, or prevents the drainage and flow of, surface water on, over, or across such Lot.

Each Owner shall be responsible for the maintenance of the Lot upon closing and shall keep the Lot free of unusable building materials, debris, and rubbish during the construction period. Owner shall provide sanitary bathroom facilities to accommodate all contractors and subcontractors during the construction period. It is the goal of the Declaration and the Association to maintain the subdivision in a clean and respectable manner. If Owner reasonably violates this objective, it is Declarant's and/or the Association's option to initiate the cleanup or place facilities on the Lot necessary to maintain the referenced goal at the sole cost and expense of Owner, payable on demand, and secured by a lien on the Lot.

Section 25. Front Yards. No more than ten percent (10%) in area of the front yard area of any Lot, excluding driveways and sidewalks, may be covered by rock or material other than dirt and vegetation except for such driveways and sidewalks as have been approved by the Architectural Review Committee. The "front yard area" shall be defined as that area of a Lot situated between the front Lot line and a line extending from the front of a residence to the side Lot lines. Grass or ground cover shall be established in front yard within ninety (90) days of occupancy.

Section 26. Sidewalks and Driveways. All driveways shall be concrete finish, or other hard surfaced material of a finish and composition expressly approved by the Committee. Except with approval of the Committee, no circular driveway shall be more than twenty feet (20') in width. Driveway locations shall be only as approved by the Committee. All other concrete or exterior hard composition surfaces shall be of a finish approved by the Committee. Asphalt paving and loose gravel driveways are prohibited. No more than one curb cut per lot shall be permitted without approval of the Committee. Builders and contractors are required to clean streets immediately after aggregate finished walks have been washed.

Sidewalks proximate and parallel to a street are prohibited. All other sidewalks, if constructed, shall be concrete finish, or other hard surfaced material of a finish and composition expressly approved by the Architectural Review Committee in writing. Sidewalk locations may be varied by the Committee to preserve trees.

Section 27. Mail Boxes. No mail boxes or similar receptacles shall be erected and maintained on a Lot. Dual mailbox units at common property lines will be designed by the Declarant and approved by the ARC.

Section 28. Outside Parking and Storage of Vehicles etc. No boat, trailer, tent, recreational vehicle, camping unit, wrecked, junked, inoperable, self propelled or towable vehicle, equipment or machinery of any sort shall be kept, parked, stored, or maintained in any portion of the front yard in the front of the building line of the permanent structure and shall be parked, stored or maintained on other portions of a Lot only within an enclosed structure or a screened area which prevents the view thereof from any Subdivision street, the Common Facilities, or adjacent Lot. No dismantling or assembling of motor vehicles, boats, trailers or other machinery or equipment shall be permitted in any front yard, driveway, or within view of an adjacent street. No commercial vehicle bearing commercial insignia or names shall be parked on any Lot except within an enclosed structure or a screened area which prevents such view thereof from adjacent Lots and streets, unless such vehicle is temporarily parked for the purpose of serving such Lot. No 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 additional rules and regulations relating to the parking and storage of vehicles, equipment, and other property both on Lots and the Common Facilities (including subdivision streets) as it may from time-to-time deem necessary to ensure the preservation and appearance of the Subdivision as a first class residential neighborhood and such rules and regulations shall, when promulgated, be in all respects binding on and enforceable against all Lot Owners, provided, however, no such additional rules or regulations shall in any manner revoke or relax any of the restrictions of 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 only. No vehicles, trailers, implements or apparatus may be driven or parked on any easement or Common Area except for lawn mowing equipment while in use.

Section 29. House Numbering. House numbers identifying the address of each house must be placed as close as possible to the front entry with numbers used such as to be easily read from the street at night. Size, color and material of the numbers must be compatible with the design and color of the house.

Section 30. Lot Subdivision and Consolidation. No Lot may be subdivided except with the written consent of Declarant. Any Owner owning two or more adjoining Lots, or portions of two or more such Lots, may with the prior approval of the Architectural Review Committee consolidate such Lots or portions thereof into a single building site for the purpose of constructing one residence and such other improvements as are permitted herein, provided, however, that the Lot resulting from such consolidation shall bear, and the Owner thereof shall be responsible for all assessments previously applicable to the Lots which are consolidated. When two Unimproved Lots being consolidated and improved by a single Living Unit, the Owner will be subject to assessment for both Lots, one at the rate for Improved Lots and one at the rate for Unimproved Lots.

Section 31. No Oil Development. No oil or natural gas drilling, oil or natural gas development or oil refining or quarrying, or mining operations of any kind shall be permitted upon any portion of the Properties, nor shall oil, natural gas, or water wells, tanks, tunnels, mineral excavations or shafts be permitted upon, in or within any portion of the Properties. No derricks or other structures for use in the boring or drilling for oil, natural gas, minerals or water shall be erected, maintained or permitted upon, in or within any portion of the Properties.

Section 32. No Cesspools. No privy, cesspool, or septic tank shall be placed or maintained upon any portion of the Properties.

Section 33. Firearms, Projectiles, and Weapons. 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 Bluffs Planned Unit Development, is strictly prohibited and each Owner shall ensure that his guests and family members do not violate such prohibition. Additionally, there is prohibited the use of any bow and arrow, slingshot, or other launching or catapulting device except strictly within the confines of a Lot and not involving the hunting or killing of any animal.

ARTICLE IX

GOVERNMENTAL REQUIREMENTS

Section 1. Owner's Acknowledgment. Each Owner shall comply with all ordinances, statutes, or regulations affecting the Properties enacted by any governmental authority. Each Owner is responsible for ascertaining all such requirements and prohibitions with respect to his Lot and, by acceptance of a deed to a Lot, agrees to abide by the same. No statement herein, nor action by the Declarant, Committee, or Association shall act to relieve an Owner from such duty of compliance.

Section 2. Additional Obligations of Builders and Contractors. By acceptance of a deed to a Lot, or initiating construction of a residence or improvements to a Lot, each Builder Member and contractor assumes responsibility for complying with all certifications, permitting, reporting, construction, and procedures required under all applicable governmental rules, regulations, and permits, including, but not limited to those promulgated or issued by the Environmental Protection Agency and related to Storm Water Discharges from Construction Sites (see Federal Register, Volume 57, No. 175, Pages 41176 et seq.) The foregoing reference is made for the benefit of builders and contractors and do not in way limit the terms and requirements of this covenant and the requirement that all Builder Members and contractors comply with all governmental regulations, and any plan required by such regulations such as a Storm Water Pollution Plan, affecting each Lot and construction site with which they are associated, including delivery to Declarant of a certification of understanding relating to any applicable NPDES permit prior to the start of construction. Each Builder Member and contractor, by acceptance of a deed to a Lot or undertaking the making of improvements to a Lot, holds harmless and indemnifies Declarant cost, loss, or damage occasioned by the failure to abide by any applicable governmental statute, rule, regulation or permit related to the Properties.

Section 3. Remedies of Declarant and the Association. By acceptance of a deed to a Lot, each Builder Member and Owner agrees that Declarant and the Association shall have the right to enter upon any Lot on which one or more conditions or activities prohibited by appropriate governmental authority is maintained, or on which there has been a failure to perform any act required by appropriate governmental authority, for the purpose of curing any such violation, provided that the Owner or Builder Member has been given five days prior written notice and has failed to remedy the complained of violation within such time, and each such Owner and Builder Member indemnifies and holds harmless Declarant and the Association from all cost and expense of such curative action and any cost or expense of penalty or fine levied by any governmental authority as a result of the act or failure to act of the Owner or Builder Member with respect to his Lot or the Properties. The foregoing remedy shall be cumulative of all other remedies for violations of provisions of these covenants.

ARTICLE X

AMENDMENT AND VARIANCE

This Declaration may be amended until January 1, 2010, by written instrument executed by the Owners of ninety percent (90%) or more of the residential lots subject to the jurisdiction of Churchill Bluffs Homeowners Association, upon recording of such written instrument in the Real Property Records of Bexar County, Texas, provided that until such date no amendment hereto shall be effective unless approved and executed by Declarant. After January 1, 2010, this Declaration may be amended in like manner by ninety percent (90%) of the Owners of residential lots subject

to the jurisdiction of Churchill Bluffs Homeowners Association but the approval and joinder of Declarant shall not be required after said date. Notwithstanding the foregoing, Declarant shall have the right to file an amendment to this Declaration, without the necessity of joinder by any other Owner of Lots, or any interest therein, for the limited purposes of correcting a clerical error, clarifying an ambiguity, or removing any contradiction in the terms hereof.

The Architectural Review Committee shall have the right to grant a variance from the objective requirements hereof relative to minor deviations or infractions hereof or in such situations as it shall determine necessary to avoid an unduly harsh effect or expense of compliance with the terms hereof or to avoid any Lot, or significant portion thereof, from being unusable. Each request for variance must be in writing and must be specifically approved in writing. No presumption of approval of a request for variance shall arise with the mere passage of time or inaction on the request.

ARTICLE XI

FHA/VA APPROVAL

Absent Declarant's written waiver, then for so long as the Declarant, its successors and assigns, have a controlling vote of the Association, the following actions will require the prior approval of the Federal Housing Administration and/or the Veterans Administration: (a) annexation of any property; (b) dedication of Common Area; and (c) amendment of this Declaration other than pursuant to Article X hereof.

ARTICLE XII

TITLES

The titles, headings and captions which have been used throughout this Declaration are for convenience only and are not to be used in construing this Declaration or any part thereof.

ARTICLE XIII

INTERPRETATION

If this Declaration or any word, clause, sentence, paragraph, or other part thereof shall be susceptible of more than one or conflicting interpretations, then the interpretation which is most nearly in accordance with the general purposes and objectives of this Declaration shall govern.

ARTICLE XIV

OMISSIONS

If any punctuation, word, clause, sentence, or provision necessary to give meaning, validity, or effect to any other word, clause, sentence, or provision appearing in this Declaration shall be omitted herefrom, then it is hereby declared that such omission was unintentional and that the omitted punctuation, word, clause, sentence or provision shall be supplied by inference.

ARTICLE XV

GENDER AND GRAMMAR

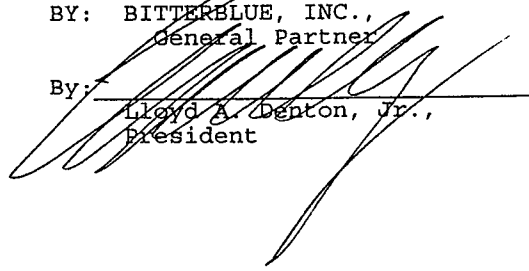
The singular, whenever used herein, shall be construed to mean the plural, when applicable, and the necessary grammatical changes required to make the provisions here apply either to corporations or individuals, males or females, shall in all cases be assumed as though in each case fully expressed.

EXECUTED effective this 17th day of January, 1995.

DECLARANT

CHURCHILL BLUFFS, LTD.

BY: BITTERBLUE, INC.,
General Partner

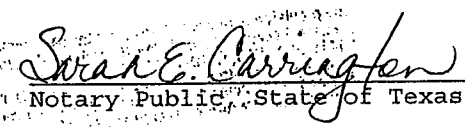
By: 
Lloyd A. Denton, Jr.,
President

STATE OF TEXAS

COUNTY OF BEXAR

This instrument was acknowledged before me the 17th day of January, 1995, by Lloyd A. Denton, Jr., President of Bitterblue, Inc., a Texas corporation, general partner of Churchill Bluffs, Ltd., a Texas limited partnership, on behalf of said corporation and limited partnership.




Notary Public, State of Texas



AFTER RECORDING RETURN TO:

3330 Oakwell Court, Suite 110
San Antonio, Texas 78218
Attn. Sarah Carrington