

AMENDMENT, RESTATED AND CERTIFICATE

17-02678

The undersigned hereby certifies that the undersigned is now, and at all times mentioned herein has been, the duly elected qualified and acting officer of the Northwest Hills Homeowners Association, a non-profit Texas corporation, and as such officer the undersigned has reviewed and has access of the records of said Association, and the terms and provision pertaining to amendment and restatement of the Declaration of Covenants, Conditions and Restrictions (Declaration) for Northwest Hills Subdivision, which are duly recorded, which records reflect that the changes and restated Declaration have been duly approved by the Owners and members as specified and that such amended and restated documents are being placed of record in accordance with and to implement the documents under the referenced Declaration to be in full force and effect in accordance with the terms thereof as of the date of recording of this document.

IN WITNESS WHEREOF, the undersigned has duly executed this Amendment, Restated and Certificate as of this 18 day of April, 2017, which is the date on which the required approval was obtained to these amended and restated documents.

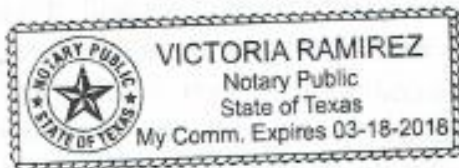
Allan C. Howard

Allan C. Howard, President of
Northwest Hills Homeowners
Association

The State of Texas S

County of Kerr S

This instrument was acknowledged before me this 24 day of April, 2017,
by Allan C. Howard, as therein specified in the capacity therein stated.



Ramirez

Notary Public, State of Texas

AMENDED AND RESTATED

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR NORTHWEST HILLS SUBDIVISION

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (this “Declaration”) made this 18th day of April, 2017, by the Northwest Hills Homeowners Association;

W I T N E S S E T H:

A. The Northwest Hills Homeowners Association desires to provide for the preservation of the values and amenities in said community by subjecting the real property referred to in Article II to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth.

B. The previous executed and recorded Declaration was recorded in Volume 282, Page 68, Real Property Records, Kerr County, Texas, and the Northwest Hills Homeowners Association desires to correct, amend, and restate such Declaration of Covenants, Conditions and Restrictions for Northwest Hills Subdivision.

C. Previous and other recorded amended restrictions as recorded in Volume 312, Page 84, Volume 585, Page 535, Volume 889, Page 521, Real Property Records, Kerr County, Texas, and the Northwest Hills Homeowners Association desires to correct, amend, and restate such documents as Declaration of Covenants, Conditions and Restrictions for Northwest Hills Subdivision.

NOW, THEREFORE, the Northwest Hills Homeowners Association does hereby submit the property to the provisions of the Act and the Subdivision established hereby, and does hereby publish and declare that the following terms, provisions, covenants, conditions, restrictions, uses, limitations and obligations are hereby established and shall be deemed to run with the land and shall be a burden and benefit to the Association, the Owners and their respective heirs, legal representatives, successors and assigns and the Association hereby amends, corrects, restates and supersedes the prior Declaration and listed documents in subparagraphs B and C above in accordance with and as set forth in the Amended and Restated Declaration.

ARTICLE I DEFINITIONS

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

(a) “Association” shall mean and refer to the NORTHWEST HILLS HOMEOWNERS ASSOCIATION.

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

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

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

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

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

(g) “Existing Property” shall mean and refer to the real property which is, and shall be, held, transferred, sold, conveyed and occupied subject to this Declaration pursuant to Article II.

(h) “Single Family” means a group of individuals related by blood, adoption, or marriage or a number of unrelated roommates not exceeding the number of bedrooms in a Residence.

(i) “Dedictory Instruments” means this Declaration of Covenants, Conditions and Restrictions for Northwest Hills Subdivision (Declaration), By-Laws, rules of the Homeowners Association, and standards of the Architectural Control Committee as defined in this Declaration, as amended.

ARTICLE II
PROPERTY SUBJECT TO THIS DECLARATION; ADDITIONS THERETO

The real property which is, and shall be, held, transferred, sold, conveyed, and occupied subject to this Declaration (hereinafter defined as the “Existing Property”) is located in Kerr County, State of Texas, and is more particularly described in EXHIBIT “A1”, attached hereto and made a part hereof for all purposes.

Imposition of Covenants

1. All Owners and other occupants of the Lots by their acceptance of their deeds, leases, or occupancy of any Lot agree that the Existing Property is subject to the Covenants.
2. The Covenants are necessary and desirable to establish a uniform plan for the development and use of the Existing Property for the benefit of all Owners. The Covenants run with the land and bind all Owners, occupants, and any other person holding an interest in a Lot.
3. Each Owner and occupant of a Lot agrees to comply with the Dedicatory Instruments and agrees that failure to comply may subject him to a fine, an action for amounts due to the Homeowners Association, damages, or injunctive relief.

ARTICLE III
MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

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

Section 2. Classes of Membership. The Association shall have one class of voting membership, and all voting, notice and quorum requirements shall be as set forth in the By-Laws. Any vote or consent of Members required or permitted herein shall be the requisite percentage of Members specified present and voting in person or by proxy at a meeting called for the purposes thereof.

ARTICLE IV
PROPERTY RIGHTS IN THE COMMON PROPERTIES

Section 1. Member's Easements of Enjoyment. Subject to the provisions of Section 2 of this Article, every Member and every tenant of every Member who resides on a Lot, and each individual who resides with either of them or who is a guest of either of them, respectively, on such Lot shall have a right and easement of use and enjoyment in and to the Common Properties and such easement shall be appurtenant to and shall pass with the title to every Lot; PROVIDED, HOWEVER, such easement shall not give such person the right to make alterations, additions or improvements to the Common Properties.

Section 2. Extent of Members' Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

- (a) The right of the Association to prescribe regulations governing the use, operation and maintenance of the Common Properties (including limiting the number of guests of Members);
- (b) Subject to the vote of two-thirds (2/3) of the votes of each class of membership entitled to be cast by the Members present or represented by proxy at a meeting at which a quorum is present, and which is duly called and held for the following purposes, the right of the Association, in accordance with its Articles of Incorporation, to borrow money for the purpose of improving the Common Properties and facilities and in aid thereof to mortgage the Common Properties, and the rights of such mortgagee in the Common Properties shall be subordinate to the rights of the homeowners hereunder;
- (c) The right of the Association, as provided in its By-Laws, to suspend membership rights for any period during which any assessment against a Lot remains unpaid, and for any period not to exceed sixty (60) days for an infraction of its rules and regulations; provided that the Association shall not deny the use of such of the Common Properties as is necessary for access to each Lot, including without limitation streets and sidewalks.
- (d) Subject to the vote of two-thirds (2/3) of the votes of Members entitled to be cast by the Members present or represented by proxy at a meeting at which a quorum is present and which is duly called and held for the following purpose, the right of the Association to dedicate or transfer all or any part of the Common Properties to any public agency, authority or

utility for such purposes and upon such conditions as the Board of Directors of the Association may determine.

ARTICLE V COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligations of Assessments. Each purchaser of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree, to pay to the Association assessments or charges, such assessments to be fixed, established and collected from time to time as hereinafter provided. The assessments, together with such interest thereon and costs of collection thereof, shall be a charge on, and shall be a continuing lien upon, each Lot against which each such assessment is made, and shall also be the continuing personal obligation of the person who was the Owner of such property at the time when the assessment became due.

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

Section 3. Improvements and Maintenance of the Common Properties Prior to Conveyance to the Association. For the Association to improve and maintain the Common Properties, and to exercise the duties of the Board of Directors of the Association and to pay taxes on and insurance in connection with the Common Properties and the cost of repairs, replacements and additions thereto, and for paying the cost of labor, equipment (including the expense of leasing any equipment) and materials required for, and management and supervision of, the Common Properties. In this regard, all assessments collected by the Association (less such amounts required for the operation of the Association) shall be forthwith paid by the Association to improve and maintain the Common Properties as set forth in this paragraph and to carry out the duties of the Board of Directors of the Association.

Section 4. Basis and Amount of Annual Assessments. The Board of Directors shall not be required to fix assessments in each year, but the Board of Directors may fix the assessments at such amount as it shall determine. The

amount of the maximum annual assessment for each Lot may not be increased more than an amount equal to ten percent (10%) of the annual assessment for the previous year without a vote of a majority of the Members.

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

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

Section 7. Duties with Respect to Assessments.

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

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

(c) The Board of Directors shall upon demand at any time furnish to any Owner liable for said assessment a certificate in writing signed by an officer or agent of the Association, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid. A reasonable charge may be made by the Board for the issuance of such certificates.

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

(a) If any assessment or any part thereof is not paid on the date(s) when due, then the unpaid amount of such assessment shall become delinquent

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

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

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

trust constituting and creating a valid lien on a Lot are expressly excluded from the provisions and requirements of this subparagraph.

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

Section 10. Exempt Property. The following property subject to this Declaration shall be exempted from the assessments, charge and lien created herein:

- (a) All properties dedicated and accepted by the local public authority and devoted to public use.
- (b) All Common Properties as defined in Article I hereof.

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

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

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

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

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

ARTICLE VII
USE OF LOTS AND COMMON PROPERTIES - PROTECTIVE COVENANTS

The Properties (and each Lot situated therein) and the Common Properties shall be occupied and used as follows:

Section 1. Residential Purposes Only. Each Lot shall be used exclusively for single family residential purposes, and carports and parking spaces shall be used exclusively for the parking of passenger automobiles. All planes, trailers, boats, campers, abandoned cars or trucks shall be parked or housed in garages, or by such other means or in such other location in order to conceal the same from view from the street.

Section 2. Obstructions, Etc. There shall be no obstruction of the Common Properties, nor shall anything be kept or stored in the Common

Properties, nor shall anything be altered or constructed or planted in or removed from the Common Properties without the written consent of the Board.

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

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

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

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

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

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

Section 9. Animals. No animals, livestock or poultry shall be raised, bred or kept in any portion of the Property; except that dogs, cats or other household pets may be kept, but not for any commercial purposes, provided that they do not create a nuisance.

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

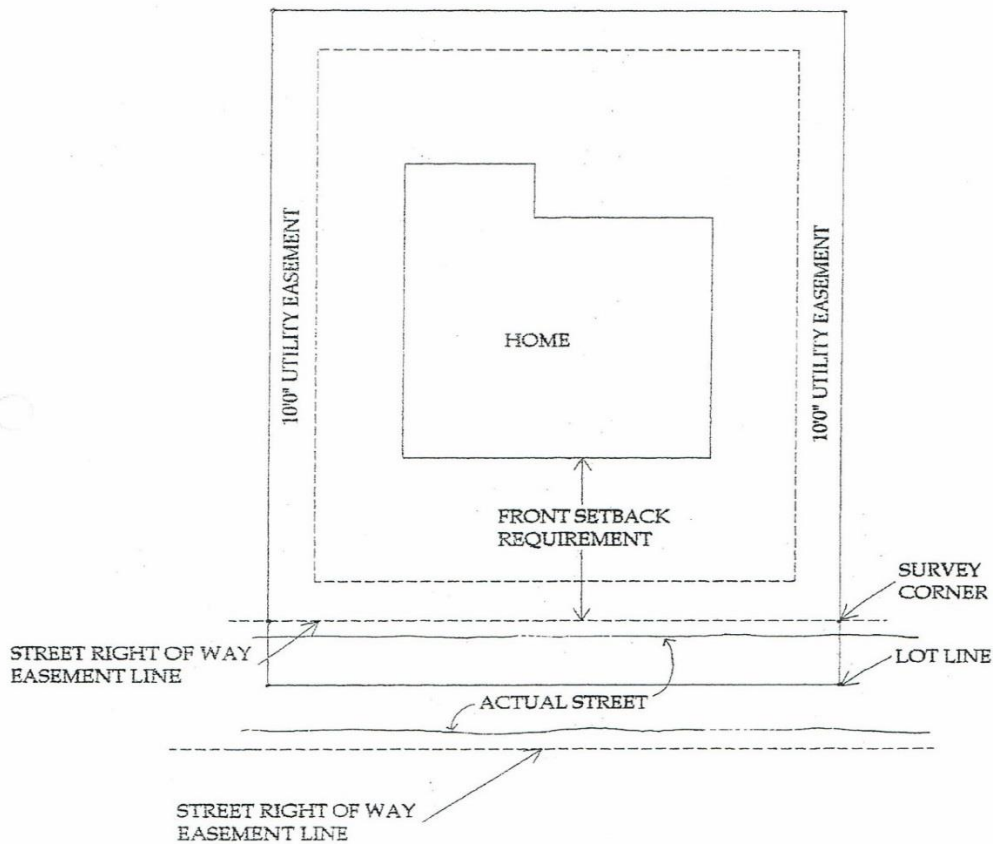
Section 11. Boats. Neither a motorboat, houseboat or other similar water-borne vehicle nor any “camper” vehicle may be maintained, stored or kept on any parcel of property covered by these covenants except in an enclosed garage thereon, or by such other means or in such other location as conceals the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

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

Section 13. Front Line, Back Line, and Side Line Set-Back Restrictions. No building shall be located on any Lot nearer than thirty-five (35) feet to the front line of a Lot or nearer than twenty-five (25) feet to the back line of a Lot or nearer than ten (10) feet to the side lines of a Lot. No projection of any building shall be permitted to extend into or encroach upon the space between said building or set-back line and the Lot line, except that the steps and platform of the main door may extend over said line not to exceed five (5) feet. The Architectural Control Committee will approve a variance from the front set-back restrictions on any Lot where the topography of the Lot would require such a variance in order to permit the construction of a primary residence on such Lot.

APPLICATION OF SETBACK REQUIREMENTS FOR
NORTHWEST HILLS HOMEOWNERS ASSOCIATION

DECLARATION OF COVENANTS, CONDITIONS & RESTRICTIONS -
ARTICLE VII, SECTION 13



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

Section 15. No Prefabricated Construction. All residences and other structures constructed or erected upon any Lot shall be new construction, and in no

event, shall any prefabricated, mobile home, modular home, or existing residences or garages be moved onto any Lot.

Section 16. Communication Equipment. No communication receiving or transmitting device or equipment shall be used on any Lot which interferes with the television reception on any other Lot without the prior written consent of the Architectural Control Committee, which consent may be withheld or, once given, revoked for any reason. However, specifically allowed is the installation, maintenance and use of video and/or internet antennas including direct-to-home satellite dishes that are less than one meter (39.37 inches) in diameter.

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

Section 18. Vegetable Gardens. No vegetable gardens shall be placed on any Lot, except behind the residence situated on such Lot.

Section 19. Maximum Building Coverage. The total habitable floor area of the residence on each Lot shall have the following square footage restrictions which are exclusive of porches and garages:

(a) Any structure on Lots 1-6, 9-51 and 65-86 shall have a total floor area containing a minimum of 1,500 square feet.

(b) Any structure on Lots 7-8, 52-64 and 87-142, and on all other Lots shall have a total floor area containing a minimum of 1,800 square feet.

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

Section 21. Repair. Each Member shall, at his sole cost and expense, maintain and repair his Lot and the dwelling and other improvements situated thereon, keeping the same in good condition and repair. In the event that any Member shall fail to maintain and repair his Lot and such dwelling and

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

Section 22. Oil and Gas. No oil exploration, drilling, development or refining operations and no quarrying or mining operations of any kind, including oil wells, surface tanks, tunnels or mineral excavations or shafts shall be permitted upon or under any Lot; and no derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted on any Lot.

Section 23. Construction of Buildings and Other Structures. All buildings and structures on each Lot shall be of new construction and architecturally in harmony with the primary residential buildings. Not more than one residence shall be constructed on one Lot. Any structure on any Lot shall have not less than sixty percent (60%) brick, stone, or stucco construction. The street elevation (front elevation) shall have as a minimum sixty percent (60%) brick or stone construction.

Section 24. L-P Gas. Any property owner who desires to use L-P gas must conform to all state and local laws regarding the use and storage of this gas. The storage tank must be located behind the primary residential building and generally not visible from the street. If that location is not available because of refill requirements, the tank must be surrounded on at least three (3) sides by materials such as fencing, shrubbery or walls that render the tank not visible from the street.

Section 25. Residence Lease or Rental Any lease or rental agreement between a Property Owner and tenant shall be for a minimum length of 12 months. Property Owners are required to provide, in writing, names and contact information for all tenants to the Secretary immediately upon commencement of such agreement. Likewise, Property Owners are required to provide written notification to the Secretary immediately upon termination of any lease or rental agreement. Property Owners must also provide a current copy of the Northwest Hills Homeowners Association information packet with the Dedicatory Instruments to their tenants.

Section 26. Operation of a Business Property Owners or their tenants may be allowed to operate a business out of their residence only if such business operation does not result in any appearance or activity different from what would be normally associated with simple residence only. Specifically prohibited are the following:

- (a) Any activity that is unlawful, unsafe or poses an environmental risk.
- (b) Excessive ingress or egress of vehicles or people.
- (c) Appearance of equipment, materials or waste associated with a business.
- (d) Excessive noise that could reasonably be considered a nuisance.

ARTICLE VIII ARCHITECTURAL CONTROL

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

claims or causes of action arising out of services performed pursuant to this Article.

ARTICLE IX EASEMENTS

Section 1. Ingress and Egress by the Association. Full rights of ingress and egress shall be had by the Association at all times over and upon each Lot for the maintenance and repair of each Lot in accordance with the provisions hereof, and for the carrying out by the Association of its functions, duties and obligations hereunder, provided that any such entry by the Association upon any Lot shall be made with as minimum inconvenience to the Owner as practical.

Section 2. Ingress and Egress by Police, Etc. The police, fire department, emergency units, ambulance company, utility companies and any governmental agency or department having jurisdiction, shall have the right of ingress and egress at all times over and upon the Common Properties, including without limitation streets and sidewalks, for the performance of their respective duties and responsibilities with respect to the Properties and in order to service the Properties.

Section 3. Surface Drainage Easements. Surface drainage easements as shown in the plat are intended for either periodic or occasional use as conductors for the flow of surface water runoff to a suitable outlet, and the land surface shall be constructed and maintained so as to achieve this intention. Such easements shall be maintained in an unobstructed condition and the Association or the proper public authority having jurisdiction over storm drainage shall have the right to repair and maintain such easements, or to require such repair and maintenance, as shall be reasonably necessary to keep the conductors unobstructed.

ARTICLE X GENERAL PROVISIONS

Section 1. Duration. The Covenants, Conditions and Restrictions of this Declaration shall run with and bind the land subject to this Declaration, and shall inure to the benefit of and be enforceable by the Association and/or the Owner of any land subject to this Declaration, their respective legal representatives, heirs, successors and assigns for a term of thirty-five (35) years from the date that this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years each unless an instrument signed by two-thirds (2/3) of the Members has been recorded in Kerr County, Texas, agreeing to abolish said Covenants, Conditions and Restrictions in whole or in

part, provided, however, that no such agreements to abolish shall be effective unless made and recorded ninety (90) days in advance of the effective date of such change.

Section 2. Amendments. The Covenants, Conditions and Restrictions of this Declaration may be amended or changed in whole or in part, upon the affirmative approval of two-thirds (2/3) of the Members entitled to vote at a meeting at which a quorum is present, and which is duly called and held for such purpose, and in each case such amendment shall be evidenced by a document in writing signed by an officer of the Association certifying to the approval required by the provisions of this Section to the extent that such amendments are required by the Federal Housing Administration, the Veterans Administration, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, or any other governmental or quasi-governmental authority involved in financing the improvement, purchase or sale of any of the Lots or the improvements to be constructed thereon. All amendments, if any, shall be recorded in the office of the County Clerk of Kerr County, Texas.

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

Section 4. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in nowise affect any other provision which shall remain in full force and effect.

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

Section 6. Notices. Any notice required or permitted by the Dedicatory Instruments must be in writing. Notices regarding enforcement actions must be given as required or as permitted by law. All other notices may be given by regular mail. Notice by mail is deemed delivered (whether actually received or not) when properly deposited with the United States Postal Service, addressed to a Member at the Member's last known address according to the Homeowners Association's records. Unless otherwise required by law or the Dedicatory Instruments, actual notice, however delivered, is sufficient

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

April, 2017

