

SUPPLEMENTAL RESTRICTIONS
KERRVILLE SOUTH II

STATE OF TEXAS
COUNTY OF KERR

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned officers of K. S. II OWNERS' ASSOCIATION, INC., do hereby file, record and declare these Supplemental Restrictions pertaining to KERRVILLE SOUTH II Subdivision more particularly described in Volume 3, Page 62, of the Plat Records of Kerr County, Texas.

Restriction 12 is hereby amended and supplemented to read as follows, to-wit:

ROAD MAINTENANCE

ASSESSMENTS AND LIENS

12. Each property owner shall be charged and assessed a road maintenance fee of \$4.00 per acre per year for each acre owned. Such charge shall not be more than \$50.00 per tract unless a special assessment is levied hereunder, and only for such a period of time until all roads are accepted for maintenance by the County.

1. Liability for Road Maintenance Expenses: The Road Maintenance Expenses shall include, but not be limited to, all expenses incurred by the Council for repair, replacement, construction, maintenance and improvement of the roads within such subdivision, including any administrative expenses incurred in carrying out the same, and enforcing this Declaration.

11. Assessments: The officers of K. S. II OWNERS' ASSOCIATION, INC., ("Officers"), shall have the power to assess the Owners of the lots for their respective shares of the road maintenance expenses and otherwise as herein provided. The making and collection of assessments against Owners for Road Maintenance Expenses shall be subject to the bylaws and to the following provisions:

(a) Share of Common Expenses: Each Owner shall be liable for and shall pay a proportionate share of the Road Maintenance Expenses based on a pro rata per acre basis, to the extent that the same shall be assessed against the Owners from time to time by the Officers.

(b) Interest; Application of Payments: All Road Maintenance assessments shall be due within sixty (60) days of the billing date. Assessments and installments thereon paid on or before ten (10) days after the date when due shall not bear interest, but all sums not paid on or before ten (10) days after the date when due shall bear interest at the highest rate permitted by law or if there should be no legal limit, five percent (5%) in excess of the prime rate of the largest bank (in deposits) in Kerrville, Texas (or such other rate as may be allowed by law and adopted by resolution of the Board with notice to the Owners) from the date when due until paid. All payments upon account shall be first applied to interest and then to the assessment payment first due.

(c) Attorney's Fees: If the K. S. II OWNERS' ASSOCIATION, INC., ("Association"), shall incur any legal expenses, including attorney's fees, to enforce any rights of the K. S. II OWNERS' ASSOCIATION, INC., against an Owner, including but not limited to collection of delinquent assessments, such Owner shall be liable to the K. S. II OWNERS' ASSOCIATION, INC., for such expenses and the Association may recover same.

(d) Commencements of Assessments: The assessments provided for herein shall commence for all record owners of lots within said subdivision as of the date each such lot was purchased by Owner.

III. Lien for Assessments: The Association shall have a lien upon each lot to secure the payment by the Owner of such lot of his proportionate share of all Road Maintenance assessments required or permitted to be levied hereunder or by law, and any other sums which shall become due and owing from such Owner to the Association and such lien for assessments shall also secure all other expenses including reasonable attorney's fees incurred by the Association incident to the collection of such assessment or enforcement of such lien.

IV. Foreclosure of Assessment Liens: All liens for Road Maintenance assessments made by the Association, or by the Board when authorized to do so as aforesaid, shall be superior to other liens, except that such liens for assessments shall be subordinate, secondary and inferior to: (a) all liens

for taxes or special assessments levied by the city, county and state governments or any political subdivision or special district thereof; and (b) liens securing amounts due or to become due under any first mortgage, vendor's lien or deed of trust filed for record prior to the date payment of such assessment for Road Maintenance Expenses becomes due (it being understood that such lien for assessments shall be prior to any such mortgage lien or deed of trust which is secondary and inferior to another mortgage, vendor's lien or deed of trust). The claim of the Association for assessments and the lien securing such claims shall be freely assignable. Such lien for assessments herein provided for may be foreclosed, without prejudice and subject to the aforesaid prior liens, by the holder thereof in the same manner as either a vendor's lien, or as is provided for foreclosure of a contractual deed of trust lien on real property under Article 3810 of the Texas Revised Civil Statutes. No such foreclosure shall affect or impair any such prior liens. The Association shall have power to bid in the lot at any foreclosure sale, whoever he may be, and his successors and assigns, shall not be liable for the share of the unpaid Road Maintenance Expenses or assessments by the Association chargeable to such lot which became due prior to acquisition of such title at such foreclosure sale, but such unpaid share of Road Maintenance Expenses or assessments shall be deemed to be Road Maintenance Expenses collectible from all of the Owners, including such purchaser or acquirer, his successors and assigns, in proportion to their Percentage Interests to the extent not recovered from the proceeds of such foreclosure sale.

V. Status after Sale: Sale of a lot shall not result in the extinguishment of unpaid Road Maintenance expenses or assessments against the lot sold unless such sale is made by private or public sale in foreclosure or pursuant to power of sale granted in a first mortgage, vendor's lien or deed of trust filed for record prior to the date payment of such assessment becomes due.

VI. Certificate of Assessment: Any prospective purchaser or encumbrancer of a lot, upon written request, shall be entitled to a certificate from the Board as to the amount of unpaid Road Maintenance Expenses, if any, of the subject lot, and such lot shall not be liable or

subject to any lien for any unpaid assessment in excess of the amount set forth in said certificate for the period of time specified therein. If such request for a certificate is not complied with within twenty (20) days after receipt of such request, the prospective purchaser or encumbrancer shall not be liable for, nor shall the subject lot thereafter be subject to a lien for, any unpaid Road Maintenance Expenses or assessments due prior to the date of such request.

VII. Common Fund: All funds collected by reason of assessments or otherwise received from the Owner, and all funds received for the use and benefit of, or the account of, the Owner shall constitute the Common Fund and shall be held, administered and accounted for by the Association as trustee for the benefit of all of the Owners as set forth herein. The Common Fund is the property of the Owners as set forth herein in proportion to their Percentage Interests in the Subdivision. The Common Fund shall be administered and disbursed by the Board according to the terms of this Declaration and as determined by the Board from time to time. In addition to other uses authorized herein or by the Board, the Common Fund may be expended in payment of the Road Maintenance Expenses and in reimbursement of the expense of the Board. The funds constituting a part of the Common Fund shall be held in a separate account or accounts in one or more depositories selected by the Board. If the subdivision regime for the Project shall be terminated and if the Association shall at such time own any assets in its own right (as distinguished from funds or property of the Owners administered by the Board) in excess of its liabilities, then any such excess of assets shall be added to the Common Fund and administered as such.

All other covenants, conditions and restrictions as provided in the original restrictions of KERRVILLE SOUTH II Subdivision recorded in Volume 353, Page 405, of the Deed Records of Kerr County, Texas, insofar as the same are not inconsistent with the terms herewith, shall remain in full force and effect.

SIGNED this the JUNE 15, 1988, by ALVIN R. TOLSTAD,
owner of Lot(s) 52, 53, 54, Kerrville South II Subdivision.
and 12 STREETER G. KING

Alvin R. Tolstad
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Streeter G. King
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