

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF
BLACKJACK OAKS SUBDIVISION UNIT 2

THE STATE OF TEXAS }
COUNTY OF BEXAR }

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, BLACKJACK, LTD., a Texas limited partnership ("Declarant"), is the owner of all of the lots situated within that certain subdivision known as Blackjack Oaks Subdivision Unit 2, according to the plat of said subdivision recorded in Volume 9527, Page 70 of the Deed and Plat Records of Bexar County, Texas (hereinafter called "the subdivision") and desiring to create and carry out a uniform plan for the improvement, development and sale of the subdivided Lots situated in the subdivision, does hereby adopt and establish the following restrictions, covenants, and conditions to run with the land and to apply to the use, occupancy, and conveyance of the aforesaid described subdivided Lots therein, and each Contract of Deed which may be executed with regard to any of such property shall be held to have been executed, delivered and accepted subject to the following restrictions and covenants (the headings being employed for convenience only and not to be controlling over content):

ARTICLE I

PURPOSE

The Land is encumbered by these Restrictive Covenants for the following reasons: to ensure the best and highest use and most appropriate development of the property; to protect Lot owners against improper use of surrounding Lots; to preserve so far as practicable the natural beauty of the property; to guard against the erection of poorly designed or proportioned structures of improper or unsuitable materials; to provide for the use and maintenance of common areas and improvements and a homeowners association for the residents of the subdivision; to encourage and secure the erection of attractive improvements on each Lot with appropriate locations; to secure and maintain proper setbacks from streets and adequate free space; and, in general, to provide for development of the highest quality to enhance the value of investment made by owners of Lots (as hereinafter defined).

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ARTICLE II

DEFINITIONS

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

(a) "ACC", "Committee" or "Architectural Control Committee" shall mean the Architectural Control Committee established pursuant to this Declaration.

(b) "Articles" shall mean the Articles of Incorporation of Fairways at Fair Oaks Owners Association, Inc., as they may, from time to time, be amended.

(c) "Association" shall mean and refer to FAIRWAYS AT FAIR OAKS OWNERS ASSOCIATION, INC., a Texas non-profit corporation, its successors and assigns as provided for herein.

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

(e) "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 for resale to others.

(f) "Bylaws" shall mean the Bylaws of Fairways at Fair Oaks Owners Association, as they may, from time to time, be amended.

(g) "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.

(h) "Declarant" shall mean and refer to BLACKJACK, LTD., its successors or assigns, including any bulk transferee of Lots unless such rights as successor Declarant are negated in writing in the recorded instrument of conveyance.

(i) "Living Unit" shall mean and refer to a single family residence and its attached or detached garage situated upon a Lot.

(j) "Lot" shall mean and refer to each of the plots of land numbered Lots 60-114, Blackjack Oaks Subdivision Unit 2, Bexar County, Texas, as shown on the Subdivision Plat.

(k) "Master Association" shall mean and refer to Fair Oaks Ranch Owners Association, Inc., a Texas non-profit corporation.

(l) "Member" shall mean and refer to all those Owners who are members of the Fairways at Fair Oaks Owners Association as provided herein.

(m) "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot of portion of a Lot within the Properties, including contract sellers but excluding those having interest merely as security for the performance of an obligation.

(n) "Properties" shall mean and refer to the above described subdivision known as Blackjack Oaks Subdivision Unit 2, and additions thereto, as are subject to this Declaration or any Amended or Supplemental Declaration.

(o) "Restriction Committee" shall mean and refer to the Restriction Committee of Fair Oaks Ranch.

(p) "Subdivision Plat" shall mean and refer to the map or plat of Blackjack Oaks Subdivision Unit 2, filed for record in Volume 9527, Page 70, 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.

ARTICLE III

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 able to accommodate 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 allow domestic servants to be domiciled with an owner or resident and shall not prevent the inclusion of permanent living quarters for domestic servants.

Building materials placed on Lots prior to commencement of improvements must be kept in a neat, clean and orderly condition. No materials may be placed on the street or between the curb and the property line.

During the construction and sales period of the initial Living Units, Builder Members may erect and maintain such structures as are

customary in connection with the construction and sale of such property, including, but not limited to, storage areas, signs, and model units. All temporary construction and sales structures are prohibited unless specific written permission is granted by the Architectural Control Committee.

ARTICLE IV

ARCHITECTURAL CONTROL COMMITTEE

There is hereby created an Architectural Control Committee, initially composed of Allen M. Ghormley, Miles Prestemon and John Friesenhahn, to serve until their successors are named. A majority of the Committee may act for the Committee and no notice of any of its meetings shall be required. Subject to the terms hereinafter set forth, Declarant shall have the right to add members to the Committee and to fill vacancies in the Committee membership and Declarant may assign such rights to the Association. In the event that all members of the ACC shall resign, and Declarant shall fail to appoint successors for a period of 30 days after the last to resign, then in such event the Board of Directors of the Association may appoint one member of the ACC and Ralph E. Fair, Inc. may appoint the remaining members of the ACC. Thereafter, all vacancies on the ACC shall be filled in like fashion, provided, however, that in the event any vacancy on the ACC remains unfilled for a period of 30 days, the remaining members of the ACC may fill such vacancy and should they fail or choose not to do so, the Board may fill such vacancy.

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 construction. 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 claim or loss or damage whatsoever, including, without limitation, any claims for damage or injury to property or for damage or loss arising out of their acts hereunder. In the event of non-compliance with this Declaration, the Architectural Control Committee shall have the power to halt such work through legal means, the first step which shall be written notice to the non-complying Owner of the property, and to require the resolution of such non-compliance prior to continuation of construction. The Architectural Control Committee shall not be entitled to any compensation for services rendered pursuant to this covenant but shall be entitled to be fully reimbursed for all amounts reasonably expended in the performance of their responsibilities.

No building, fence or other structure or improvement shall be erected, placed or altered on any Lot in the subdivision until the plans and specifications, including exterior elevations and exterior colors and all exterior materials for such building, fence or other structure and showing the location of such building, fence or other structure,

shall have been approved in writing by the Architectural Control Committee as to the quality of workmanship and materials and conformity and harmony of exterior design with existing structures in the subdivision and as to the location with respect to topography, existing trees and finished elevation. Within thirty (30) days after the Owner has submitted to the Committee all plans that the Committee may require ("Submitted Plans"), the Committee shall notify the Owner in writing whether the Submitted Plans are approved or disapproved. Any disapproval shall set forth the specific reason or reasons for such disapproval. In the event the Submitted Plans have not been approved or disapproved within thirty (30) days after submitted, the Submitted Plans will be deemed to have been approved but such deemed approval shall not permit a violation of any of the terms of these covenants.

The Architectural Control Committee shall have the right, but not the obligation, to grant variances and waivers relative to minor deviations and infractions of this Declaration or to correct or avoid hardships to Owners. The decision of the Architectural Control Committee shall be final and binding upon the applicant and other Owners.

The Architectural Control Committee shall be duly constituted for the entire period of duration of this Declaration. The Architectural Control Committee shall have the power to employ professional consultants to assist it in discharging its duties at the expense of the Association.

ARTICLE V

RESTRICTIONS ON LOTS

All Lots in the subdivision shall be used for residential purposes. The term "residential purposes" as used herein shall have the meaning given to it in Article III above. No residential building shall remain incomplete for more than nine (9) months after construction has commenced. Temporary use may be made of a house for builder's sales office, which shall be permitted until such house is sold, not to exceed thirty-six (36) months in total from time of completion, provided such use is approved in writing by Declarant.

Each Lot improved with a residence must include an attached or detached garage large enough to accommodate under roof a minimum of two (2) full-sized automobiles. No garage shall be permanently enclosed for conversion to any other use. Open carports are not permitted unless special design circumstances warrant their use, in which case permission must be obtained in writing from the Architectural Control Committee.

ARTICLE VI

MAILBOXES AND OUTBUILDING REQUIREMENTS

The Owner of each Lot on which a house has been constructed is required to construct a mailbox of a size, design, shape, and location approved by the Architectural Control Committee, which shall conform to the general appearance and requirements shown on "Exhibit B" attached hereto.

Every outbuilding, inclusive of such structures as a detached garage, storage building, gazebo, spa, greenhouse or children's playhouse, shall be compatible with the dwelling to which it is appurtenant in terms of its design and material composition. All such outbuildings shall be subject to approval of the Architectural Control Committee. No outbuilding shall exceed one (1) story in height, nor shall the total floor area of outbuildings other than a detached garage exceed ten percent (10%), individually or in the aggregate, of the floor area of the main dwelling, unless approved in writing by the Architectural Control Committee.

ARTICLE VII

BUILDING MATERIALS

The exterior walls of all one-story residential buildings, and the lower story of all two-story residential buildings, shall be constructed with masonry, rock, stucco, brick, or brick or masonry veneer for 75% or more of the total exterior wall area. The exterior walls of all two-story residential buildings shall be constructed with masonry or masonry veneer for 50% or more of the total exterior wall area, with at least the front and two sides being masonry on the first floor. Window and door openings shall be included as masonry. Notwithstanding the foregoing, the Architectural Control Committee is empowered to waive this restriction, 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. Wall materials used on all Lots shall be restricted to those types and colors approved by the Architectural Control Committee.

All wood siding must be approved by the ACC. No four foot by eight foot (4' x 8') masonite or similar panel siding will be allowed.

Roofing shall be either slate, tile, tarnished metal with standing seams, or composition or fiberglass dimensional shingles provided that any composition or fiberglass roofing shall be 300 pounds or more, and shall be five tab or more.

The exterior of all chimneys shall be 100% masonry or a type and color matching that of the exterior walls of the house.

ARTICLE VIII

FENCES

The Owners of each Lot on which an electrical transformer is located shall construct a small fence around such transformer which shall completely screen the transformer from view. The size, design, composition and location of such transformer screening fences shall be as approved by the ACC.

Except as above required, no fence or wall or hedge shall be built or maintained forward of the front wall line of the main structure, not including decorative walls or fences which are part of the architectural design of the main structure, and which are not to be built or maintained nearer than the building setback line of any Lot, unless otherwise approved in writing by the Architectural Control Committee.

Fences constructed on a Lot parallel to a street adjoining the Lot shall be of the following three types:

- (1) wood not to exceed six inches (6") in width; or
- (2) all masonry which matches the house; or
- (3) a combination of simple wrought iron bars and matching masonry

All fences located on a corner Lot and facing a street shall have masonry columns, not more than 25 feet apart, with the masonry matching the masonry of the residence. Any fence constructed along the rear of Lots 66, 67 and 68 which borders Fairway Bluff Drive shall have masonry columns constructed not more than 25 feet apart. All plans for fencing must be approved in writing by the ACC.

All other fences shall be of the three types above described or shall be all wood composed of one inch by not more than six inches (1" X 6"), six feet (6') tall, vertical cedar planks, without gaps between planks, with the tops either level or notched "dog-ear" style.

All wooden fences visible from a street shall be constructed facing the street and without any framing visible from the street. This also applies to wooden fencing used for side yards that adjoin or are visible from the golf course.

No fence, wall, or hedge or shrub planting which obstructs sight lines shall be placed or permitted to remain on any corner Lot within the triangular areas formed by the extension of curb lines and a line connecting them at points twenty-five feet (25') from the intersection of the extended curb lines into the street. No structures or landscape material over three and one-half feet (3-1/2') tall shall be allowed in this inscribed triangle.

At no time will any fence or structure be allowed to be built between the rear yard golf course setback line (as indicated on the plat) and the rear property line. Any rear yard fencing placed along

the rear yard golf course setback line must be constructed of wrought iron with masonry columns and must be specifically approved by the ACC as to design, materials, and location.

To insure the integrity of the boundary fence at the rear of Lots 61-65, 72-79, 89, 90, 93-96 at the common line between Blackjack Oaks Unit 2 and the Raintree Woods (Security) Area, the Raintree Woods Committee will share a proprietary interest in this fence. If, after due notice, repairs are not made in a timely manner by the owner of said Lot on which the fence sits, then the Raintree Woods Committee may elect to make said repairs at its own expense.

No chain link or wire fence will be approved except that chain link may be approved along the common line between Blackjack Oaks Unit 2 and Raintree Woods, due to the fact that an existing chain link boundary fence exists between Blackjack Oaks Unit 2 and the Raintree Woods area.

The Architectural Control 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.

ARTICLE IX

DRIVEWAYS AND SIDEWALKS

Driveways, entry walks, and all front yard flat work on each residential lot must be constructed of pebble finished concrete. Location, design and any decorative surface must be approved by the Architectural Control Committee. The driveway turnout shall be constructed in such manner as to provide an attractive transitional radius from the curb and gutter into the driveway entrance and shall prevent escape of drainage water from the street onto any Lots. Driveways, sidewalks and all front yard flat work must be shown on the site plan submitted for approval of the Architectural Control Committee. Any asphalt driveways, entry walks and front yard flat work are specifically prohibited. Any concrete spilled, poured or washed on a street must be immediately removed leaving the street clean and unstained. Sidewalks placed in the parkway will be limited in length to a landing area at the end of the entry walk from the house. Said landing area will be no greater in length than sixteen feet (16') and will be three feet (3') wide and contiguous to the curb line.

ARTICLE X

TEMPORARY STRUCTURES

No structure of a temporary character (sales structure, trailer, travel trailer, tent, shack, garage, barn or other outbuildings) shall be used on any Lot at any time as a residence, either temporarily or permanently. No trailer, camper, recreational vehicles, or similar vehicles shall at any time be parked in view from other properties or connected to utilities situated within a Lot. No dwelling previously constructed elsewhere may be moved onto any Lot in the subdivision controlled by these covenants. This covenant specifically includes mobile homes or the use of a mobile home in which the axle and wheels have been removed and placed upon a concrete slab, which said mobile home is hereby specifically prohibited as a residence, either temporarily or permanently, and further, specifically includes a mobile home upon which the wheels have been left attached.

ARTICLE XI

SIGNS

No signs, banners, or pennants of any kind shall be displayed to the public view on any single-family residential Lot except one (1) professional sign of not more than nine (9) square feet advertising the property for sale or rent. Signs used by the developer or builders to advertise Lots or homes within the Properties during the construction and sales period shall be permitted, irrespective of the foregoing. Signs advertising subcontractors or suppliers are specifically prohibited. The sign may state only the name and phone number of the seller and/or the seller's agent. The Architectural Control Committee shall have control over all the wording, design, appearance, size, quantity, and location of all signs. Except for sale or rental signs adhering to the standards of the first sentence of this Article, all signs within the Properties shall be subject to the prior written approval of the ACC.

ARTICLE XII

MAINTENANCE OF LOTS

The Owners of all Lots shall at all times keep all weeds and grass thereon cut in a sanitary, healthful and attractive manner and shall promptly remove any trees, shrubs, vines and plants which shall die. Each Owner and/or occupant shall promptly repair or replace all damaged sections of fences.

All fuel oil, propane, butane, and other tanks must be kept, stored, or screened by a screening material, approved in advance by the Architectural Control Committee, so as not to be visible from any

adjacent street or from the golf course.

The drying of clothes in public view from streets and cart paths, and the storage of firewood and yard equipment or other equipment in public view from streets or cart paths is likewise prohibited. Each Owner or occupant of a Lot with a rear yard visible from a street or cart path desiring to dry clothing outside, or to store firewood, yard equipment, or other equipment outside, shall construct and maintain a fence for a drying yard, or construct and maintain another form of enclosure suitable to screen such activity and storage from view from streets and cart paths.

No Lot shall be used or maintained for the storage of materials or equipment except as may be incident to normal residential requirements or incidental to construction of improvements thereon as herein permitted nor shall any Lot be used as a dumping ground for trash or rubbish. Trash, garbage or other waste materials shall be kept in a clean and sanitary condition and container. New building materials used in the construction of improvements erected upon any Lot may be placed upon such Lot at the time of construction so long as the construction progresses without undue delay, until the completion of the improvement, after which these materials shall either be removed from the Lot or stored in a suitable enclosure on the Lot.

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 hereof or otherwise as provided by law.

ARTICLE XIII

LANDSCAPING

All front yards and side yards on all Lots must be sodded within three months after occupancy of the house, and must thereafter be maintained with grass or landscaping in a neat and well mowed condition, free of unsightly weeds and overgrowth. Decorative ground cover rock in the front and side yard may be used in lieu of grass but may not exceed

ten percent (10%) of the total area of the front and side yard. No oak, elm, or pecan trees larger than 18" in diameter may be removed without written ACC approval. EACH OWNER IS ADVISED THAT THERE ARE NO EXPRESS OR IMPLIED WARRANTIES AS TO THE LIFE EXPECTANCY, VITALITY OR FITNESS FOR INTENDED PURPOSE OF ANY TREES OR SHRUBS LOCATED ON THE PROPERTY.

ARTICLE XIV

VEHICLES

No trailer, motor home, tent, boat, recreational vehicle, travel trailer, or any truck larger than a three-quarter (3/4) ton pick-up or wrecked, junked or wholly inoperable vehicle shall be kept, parked, stored or maintained on any portion of the Lot for a period more than twenty-four (24) hours, unless they are in an enclosed structure or in a screened area which prevents the view thereof from adjacent Lots, golf course, and streets. No dismantling or assembling of an auto, trailer, motor home, tent, boat, recreational vehicle, travel trailer, any truck or other machinery or equipment shall be permitted in any driveway or yard adjacent to a street.

Off-street parking shall be provided by the Owner of each Living Unit for all such vehicles in a location screened from view from the street and from the other Lots. On street parking, except by visitors, is prohibited.

ARTICLE XV

GARBAGE AND REFUSE DISPOSAL

No Lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage and other waste shall be kept in sanitary containers, whether arranged for alley pickup or street pickup. No trash, ashes or other refuse may be thrown or dumped on any vacant Lot, park, street, Right-of-Way, or drainage area in the Properties. No cans, bags, containers or receptacles for the storing or disposal of trash, garbage, refuse, rubble, or debris shall 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 receptacle may be placed in front of a residence and beside a street for removal but shall be removed from view before the following day.

ARTICLE XVI

PETS

No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot except for cats, dogs or other generally recognized

household pets of a reasonable number, provided that they are not kept, bred or maintained for any commercial purposes and provided further, that no more than four (4) adult animals may be kept on a single Lot.

All such animals shall be kept in strict accordance with all local laws and ordinances (including leash laws) and in accordance with all rules established by the Architectural Control Committee. It shall be the responsibility of the Owners of such household pets to prevent the animals from running loose or becoming a nuisance to the other residents.

ARTICLE XVII

OIL AND MINING OPERATIONS

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

ARTICLE XVIII

WATER AND SEWAGE SYSTEMS

No individual water supply system or sewage disposal system shall be permitted on any Lot, including, but not limited to, water wells, cesspools or septic tanks. A water recovery system or device may be installed and used on a Lot only if it has been approved in writing by the ACC and the Restriction Committee.

ARTICLE XIX

RADIO OR TV ANTENNA, SATELLITE DISHES, AND SOLAR COLLECTORS

No radio, citizen band or otherwise, or television aerial wires or antennas shall be maintained on any portion of any Lot, except those which are fully enclosed within the structure of the Living Unit. No microwave or other satellite dishes, antennas, receivers, or transmitters shall be placed on any Lot without the prior written approval of the Architectural Control Committee. Solar apparatus, if used, must be installed in a location not visible from the street, any Rights-of-Way or other parcels or portions thereof, and must be approved by the Architectural Control Committee before erection.

ARTICLE XX

NUISANCES

No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

No Owner or occupant shall perform any work that will impair the structural soundness or integrity of another Living Unit or impair any easement or hereditament, nor do any act nor allow any condition to exist which will adversely affect the other Living Units or their Owners or residents.

No exterior lighting of any sort shall be installed or maintained on a Lot where the light source is offensive or a nuisance to neighboring property (except reasonable security or landscape lighting that has approval of the Architectural Control Committee).

No exterior speakers, horns, whistles, bells or other sound devices (except security devices such as entry door and patio intercoms used exclusively to protect the Lot and improvements situated thereon) shall be placed or used upon any Lot.

The discharge of any firearm, including BB-guns and pellet guns, and the hunting or killing of any animal within any part of Fair Oaks Ranch is prohibited. Additionally, there is prohibited within the subdivision and on any adjacent land owned in whole or in part by Declarant the use of any bow and arrow, slingshot, or other launching or catapulting device except strictly within the confines of a Lot.

ARTICLE XXI

EASEMENTS

Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat. 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 company is responsible.

No golf course cart paths of any kind will be allowed to be built in the rear yards of any Lots that are contiguous to the golf course.

ARTICLE XXII

MAINTENANCE AND ACCESS EASEMENTS

There is hereby created in favor of all 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 repair, correct, replace, or maintain any wall, fixture, light, or other structure or item constituting part of the Common Facilities or required or permitted to be maintained under the terms hereof or to correct or remove any condition prohibited under the terms hereof. Neither the Declarant nor the Architectural Control 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 XXIII

DRAINAGE EASEMENTS

Easements for drainage throughout the subdivision are reserved as shown on the Subdivision Plat, such easements being depicted thereon as "drainage easements." 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 or resident of a Living Unit may:

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

(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 Control Committee and the City of Fair Oaks Ranch;

(3) construct, erect or install a fence or other structure of any

type of nature within or upon such drainage easements;

(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.

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 Control 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 Article shall in no way affect any other recorded easement in the Subdivision.

ARTICLE XXIV

GARAGES

A garage able to accommodate at least two (2) full-sized automobiles, must be constructed and maintained for each Living Unit. Garages on corner Lots must be set back at least fifteen feet (15') from the side Lot line and all garages must be set back in conformity with the existing front setbacks herein. Each driveway must accommodate two vehicles in front of the garage for off-street parking requirements. Rear detached garages shall be permitted provided they are constructed in compliance with the requirements of these covenants.

ARTICLE XXV

MAXIMUM HEIGHT

No building or structure erected, altered or placed on, within or in the Properties shall exceed thirty-five feet (35') in height (measured from the top of the foundation to the topmost part of the roof) nor be more than two and one-half (2-1/2) stories in height, provided however, that all applicable ordinances, regulations, and statutes with respect to the maximum height of buildings and structures shall, at all times, be complied with.

ARTICLE XXVI

MINIMUM AREA

The main residence building of each residence constructed on a Lot shall contain the minimum, contiguous square feet of living space set forth below, such square feet being 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, to wit:

- A. Lots 61-65, 72-79, 89, 90, 93-96:
 - Single Story -- Twenty-Four Hundred (2,400) Square Feet
 - Two Story -- Twenty-Four Hundred (2,400) Square Feet
- B. All other remaining Lots:
 - Single Story -- Twenty-One Hundred (2,100) Square Feet
 - Two Story -- Twenty-Three Hundred (2,300) Square Feet

ARTICLE XXVII

BUILDING SETBACKS AND FACINGS

Front Setbacks: All Lots shall have a twenty-five (25') foot front setback unless otherwise approved in writing by the ACC.

Corner Lots 101 and 104 shall have twenty-five (25') foot setbacks on both sides of the Lot that is contiguous to the street unless otherwise approved in writing by the ACC.

Side Yard Setbacks: All Lots shall have a six foot (6') setback on each side Lot line unless otherwise approved in writing by the ACC.

Lots 102 and 103 shall have setbacks of eight feet (8') on the side Lot lines contiguous to the cart path right-of-way.

Rear Yard Setbacks: All Lots that back up to the golf course shall have forty foot (40') building easement and setbacks along the rear of the Lot. All other Lots shall have twenty-foot (20') rear yard setbacks, unless otherwise approved in writing by the ACC.

Facings of Residences on Lots 66-68: Each residence constructed on Lots 66, 67, and 68 shall face Fairway Bend and there shall be no access onto any of said Lots from Fairway Bluff except with specific written waiver of the ACC.

ARTICLE XXVIII

LOT CONSOLIDATION AND SUBDIVISION

Any Owner owning two or more adjoining Lots or portions of two or more such Lots may, with the prior approval of the Architectural Control 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 no such building site shall contain less than six thousand (6,000) square feet of land. Any consolidated Lot shall comply with all lawful

requirements of any applicable statutes, ordinances or regulations. On application by an Owner, the Board of Directors may adjust the assessments on a consolidated Lot to an amount not less than the full assessment rate for a single Lot. Absent such adjustment, a consolidated Lot shall bear the full assessment rate theretofore applicable to all Lots which are consolidated.

Subdivision, partition, partial conveyance or ownership in divided or separate interest of any Lot shall be permissible and lawful only if approved in writing in advance by the Restriction Committee and by the sewer company and water company servicing such Lot, and such ownership is otherwise in full compliance with and conformity to all of the terms and conditions hereof.

The plans and details of any proposed subdivision, partition or partial conveyance of a Lot must be approved in writing in advance by the Restriction Committee, and the water and sewer company providing service to such Lot. Failure to submit such plans in advance will render such subdivision, partition, partial conveyance or ownership in divided or separate interest void and without right.

ARTICLE XXIX

ADDITIONS

The Association may annex within the scheme of this Declaration, and the jurisdiction of the Association, additional properties upon affirmative vote of a majority of both classes of members of the Association. All such property so annexed shall have recorded a Declaration of Restrictive Covenants for such property, which Declaration may contain such modifications to the terms hereof as are necessary to reflect the different character of the added properties.

ARTICLE XXX

ENFORCEMENT

Except for matters related to the Architectural Control Committee as previously described, if the Owner of any Lot, or its heirs, executors, administrators, successors, assigns or tenants, shall violate or attempt to violate any of the restrictions and covenants set forth in this Declaration, it shall be lawful for the Association, Declarant, or any person owning any Lot to prosecute any proceedings against the person or persons violating or attempting to violate any such restrictions and covenants. The failure of any Owner or tenant to comply with any restriction or covenant will result in irreparable damage to Declarant and other Owners of Lots in the Subdivision; thus the breach of any provision of this Declaration may not only give rise to an action for damages at law, but also may be made the subject of an action for injunctive relief and/or specific performance in equity in

any court of competent jurisdiction. In the event enforcement actions are instituted and the enforcing party recovers, then in addition to the remedies specified above, court costs and reasonable attorney's fees shall be assessed against the violator.

ARTICLE XXXI

ATHLETIC FACILITIES

Tennis court lighting and fencing shall be allowed only with the approval of the Architectural Control Committee. Basketball goals, or backboards, or any other similar sporting equipment of either a permanent or temporary nature shall not be placed within forty feet (40') from the front property line of any Lot in the subdivision without the prior written consent of the Architectural Control Committee. The Architectural Control Committee shall have the authority to establish guidelines for the placement and design of basketball goals and no basketball goal shall be kept or maintained within sight of any street except in accordance with any such guidelines established.

ARTICLE XXXII

AMENDMENT

This Declaration shall remain in force and effect until January 1, 2011, at which time, and on each tenth anniversary thereafter, this Declaration shall be automatically renewed for a period of ten years unless 75% of the Owners of Lots shall file a written agreement to abandon same. This Declaration may be amended by written instrument executed by the Owners of seventy-five percent (75%) or more of the Lots, provided that no amendment prior to January 1, 2011, shall be effective until approved and executed by Declarant and filed of record in the Official Public Records of Real Property of Bexar County, Texas. 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.

ARTICLE XXXIII

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 Veteran's Administration and will require the approval of the Federal Housing Administration if any FHA guaranteed or sponsored loans within the subdivision have been issued: (a) annexation of property

other than as shown on "Exhibit A" hereto; (b) dedication of Common Areas; and (c) amendment of this Declaration other than pursuant to Article XXXII hereof.

ARTICLE XXXIV

MEMBERSHIP IN THE ASSOCIATION

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

ARTICLE XXXV

VOTING RIGHTS

The Association shall have two classes of voting membership:

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

Class B. The Class B Members shall be Declarant and Builder Members. The Class B Members shall be entitled to three votes for each Lot in which they hold the interest required by Article XXXIV 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, 2006.

From and after the happening of these events, whichever occurs earlier, the Class B member shall be deemed to be a Class A member entitled to one vote for each Lot in which it holds the interest required for membership.

ARTICLE XXXVI

COVENANT FOR ASSESSMENTS

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; (2) special assessments for capital improvement, such assessments to be fixed, established, and collected from time to time as hereinafter provided; and (3) assessments due Fairways at Fair Oaks Owners Association, Inc. 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 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.

The assessments levied by the Association shall be used for the purpose of promoting the recreation, health, safety and welfare of the Members, and in particular, 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.

The annual assessment for both improved and unimproved Lots shall be determined by the Board of Directors in the manner provided for herein after determination of current maintenance costs and anticipated needs of the Association during the year for which the assessment is being made. The initial assessment shall be prorated for the remainder of the calendar year in which begun if begun on other than January 1. The annual assessment for unimproved Lots shall be one-fourth (1/4) the annual assessment for improved Lots. The maximum annual assessment for improved Lots and annual assessments for unimproved Lots may be increased by vote of the Members as provided herein below. A Lot shall be deemed to be an "improved Lot" when construction of a Living Unit hereon is completed and closing of a sale thereof has taken place, or when the Living Unit is occupied as a residence, whichever first occurs. As provided in Article XXVIII above, the Board of Directors shall have the power to adjust assessments on consolidated Lots.

In addition to the annual assessments provided for above, the Association may levy, in any assessment year, a Special Assessment on improved Lots only, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement on or which is a part of the Common Facilities, provided that any such assessment shall have the assent of two thirds (2/3) of the votes 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 thirty (30) days in advance and shall set forth the purpose of the meeting.

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

The quorum required for any action authorized hereinabove shall be as follows: At the first meeting called as provided above, the presence at the meeting of Members or proxies entitled to cast sixty percent (60%) 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 notice requirements set forth above, and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting, provided that such reduced quorum requirement shall not be applicable to any such subsequent meeting held more than sixty (60) days following the preceding meeting.

The annual assessments provided for herein shall commence as to all Lots on such date as may be determined by the Board of Directors of the Association. The assessments for each calendar year shall become due and payable and shall be collected as the Board of Directors of the Association shall determine. The amount of the annual assessment shall be an amount which bears the same relationship to the annual assessment established by the Board of Directors as the remaining number of months in that year bear to twelve. When a Lot becomes an improved Lot, 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 assessment 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 the provisions hereof shall be fixed in the resolution authorizing such assessment.

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 on reasonable notice. 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. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

All past due and unpaid assessments shall bear interest at the rate of eighteen percent per annum or the maximum interest allowed by law

from the date due until the date paid. The Association shall be entitled to record a Notice of Lien or notice of unpaid assessment in the real property records for any assessment remaining unpaid more than thirty (30) days after the due date thereof. The Association shall be entitled to collect from each Owner the costs of the Association for the collection of any past due assessments or charges, including a reasonable fee for the preparation, recordation or release of any notice.

ARTICLE XXXVII

SUBORDINATION OF THE LIEN TO MORTGAGES

The lien of the assessments provided for herein shall be subordinate to the lien of any valid purchase money or construction mortgage. Sale or transfer of any Lot shall not affect the assessment lien; however, the sale or transfer of any Lot, pursuant to such valid mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which become due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessment thereafter becoming due or from the lien thereof.

ARTICLE XXXVIII

NOTICE REGARDING MASTER ASSOCIATION

In addition to their membership in the Fairways at Fair Oaks Owners Association, Inc., all Owners will be members of the Fair Oaks Ranch Owners Association, Inc. (the "Master Association") and shall be obligated to pay the periodic or special dues and assessments of the Master Association and to abide by and adhere to the rules, regulations, covenants, and bylaws of the Master Association.

ARTICLE XXXIX

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 XL

GOVERNING LAW

THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS. ALL ACTS REQUIRED OR

PERMITTED TO BE PERFORMED HEREUNDER ARE PERFORMABLE IN BEXAR COUNTY, TEXAS, AND IT IS AGREED THAT ANY ACTION BROUGHT TO ENFORCE OR CONSTRUE THE TERMS OR PROVISIONS HEREOF OR TO ENJOIN OR REQUIRE THE PERFORMANCE OF ANY ACT IN CONNECTION HERewith SHALL BE BROUGHT IN A COURT OF COMPETENT JURISDICTION SITTING IN BEXAR COUNTY, TEXAS.

ARTICLE XLI

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 more nearly in accordance with the general purposes and objectives of this Declaration shall govern.

ARTICLE XLII

OMISSIONS

If any punctuation, word, clause, sentence, or provisions 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, work, clause, sentence or provision shall be supplied by inference.

ARTICLE XLIII

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.

ARTICLE XLIV

ADDITIONAL INFORMATION

Architectural Design Guidelines for the subdivision, Rules and Regulations of the Association, and the other documents and information which may affect an Owner or prospective Owner may be implemented by the ACC. Each Owner and prospective Owner is advised to carefully examine each of such documents in addition to these Restrictions to determine his rights and obligations as an Owner.

EXECUTED effective the 27 day of September, 1993 .

BLACKJACK, LTD.

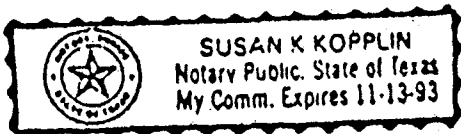
By DDH Enterprises, Inc.,
General Partner

BY: [Signature]
Denzil Hallmark, Jr.
Its President

ORIGINAL DIM

STATE OF TEXAS
COUNTY OF BEXAR

This instrument was acknowledged before me on the 27 day of September, 1993, by Denzil Hallmark, Jr. President of BLACKJACK, LTD., a Texas corporation, on behalf of said corporation.



[Signature]
Notary Public, State of Texas

LIENHOLDER'S CONSENT

The undersigned, being the owner and holder of an existing mortgage and lien upon and against the real property described in the foregoing Declaration and defined as the "Property" in said Declaration, as such mortgagee and lienholder, does hereby consent to and join in this Declaration.

The undersigned hereby joins in the execution of this instrument for the sole purpose of subordinating the liens held by the undersigned to all of the provisions (with the exception of Article XXXVII of this Declaration of Restrictive Covenants and Conditions for the Fairways at Fair Oaks Subdivision Unit 2, also known as Blackjack Oaks Unit 2. Any Owner who accepts title to any of the Properties subject to this Declaration specifically acknowledges that lienholder is not a party to this Declaration except for the sole purpose of subordinating the liens as set out above, and each Owner who accepts title to any of the Lots hereby specifically and unconditionally releases and discharges said lienholder from any claims or liability with respect to, or arising out of, this instrument, except as to actions which may hereafter be taken by lienholder as a successor to the interest of Declarant.

SIGNED this 29th day of September, 1993.

FAIR OAKS 1000 ACRE JOINT VENTURE
A Texas Joint Venture
By: 1000 Acre Fair Oaks Project, Ltd.,
a Texas limited partnership, its general
partner

By: DON SMITH COMPANY, A Texas
corporation

By: Donald A. Smith
Donald A. Smith, President

By: RALPH E. FAIR, INC.,
A Delaware corporation

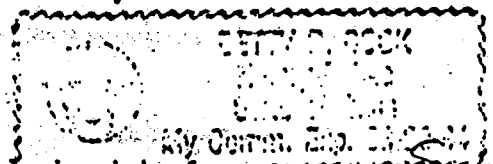
By: Robert G. Weiss, Jr.
Robert G. Weiss, Jr.
President

STATE OF TEXAS
COUNTY OF BEXAR

The foregoing instrument was acknowledged before me on the day of Sept 29 1992, by Donald A. Smith, President of Don Smith Company, a Texas corporation on behalf of 1000 Acre Fair Oaks Project, Ltd., a Texas limited partnership, as general partner of Fair Oaks 1000 Acre Joint Venture, a Texas joint venture, on behalf of said joint venture.

Betty R. Cook
Notary Public, State of Texas

STATE OF TEXAS
COUNTY OF BEXAR



This instrument was acknowledged before me on Sept. 29, 1993 1993, by Robert J. Weiss, Jr., President of Ralph E. Fair, Inc., a Delaware corporation and joint venturer of Fair Oaks 1000 Acre Joint Venture, a Texas joint venture, on behalf of said joint venture.

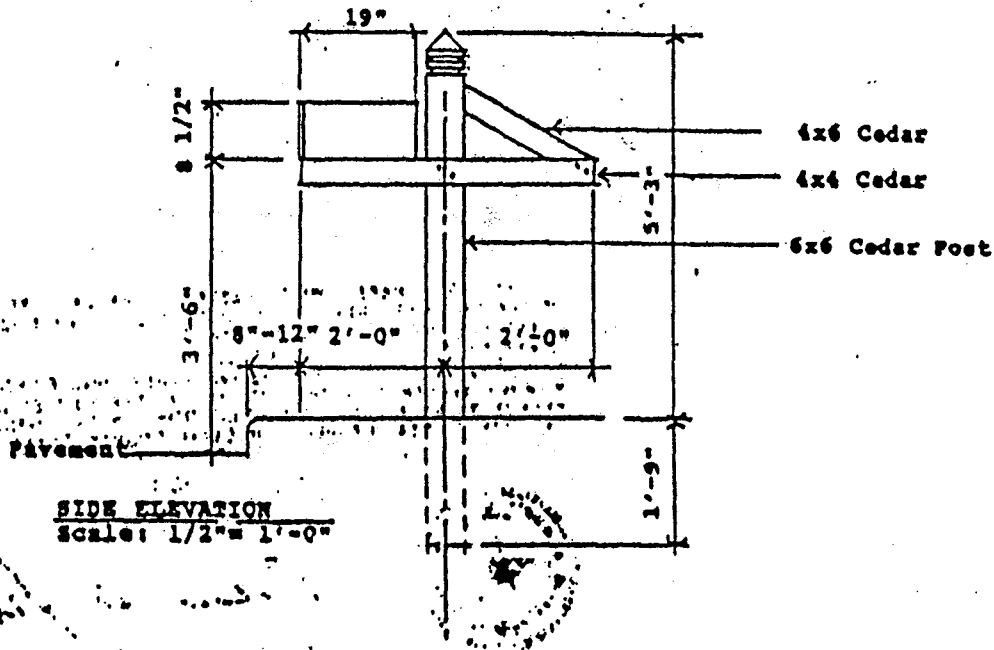
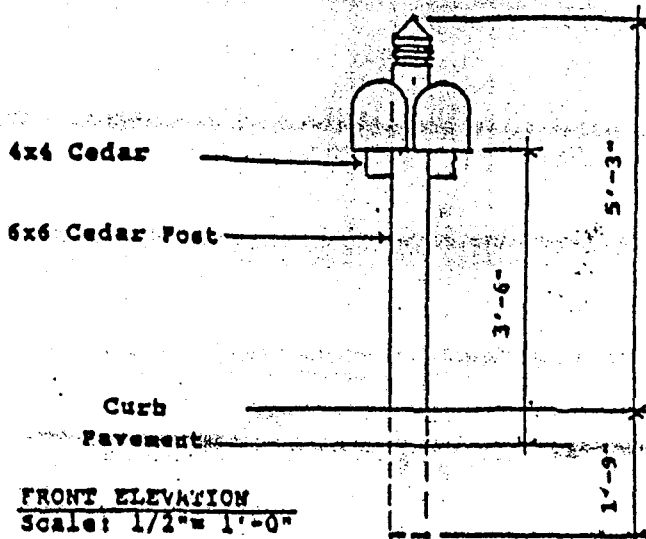
Betty R. Cook
Notary Public, State of Texas



ORIGINAL DIA

After recording, please return to:

Sue Kopplin
Blackjack Oaks, Ltd.
c/o 14607 San Pedro, Suite 100
San Antonio, TX 78232



Notes:

1. All wood members should be cedar.
2. All connections should be made with bolts or screws.
3. Mailbox should be a U.S. Post Office approved, Traditional style, Size 1 box being 19" long, 8 1/2" wide, and 8 1/2" tall as shown in Exhibit B and black in color.
4. Mailbox should be installed with the bottom of the box 3 1/2' from the road surface.
5. Face of mailbox should be offset 8" to 12" behind the edge of pavement.
6. The top of the 6x6 post should be cut at 45 degree angles on all sides to form a point. A 1/2" routed decorative band is to be placed 1" below the intersection of the point slope plane and the vertical plane with the second band placed 1" below the first band.

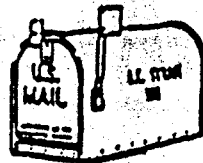
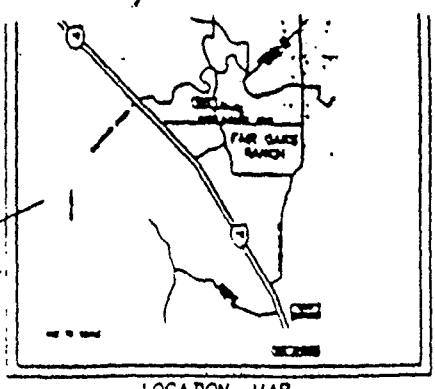
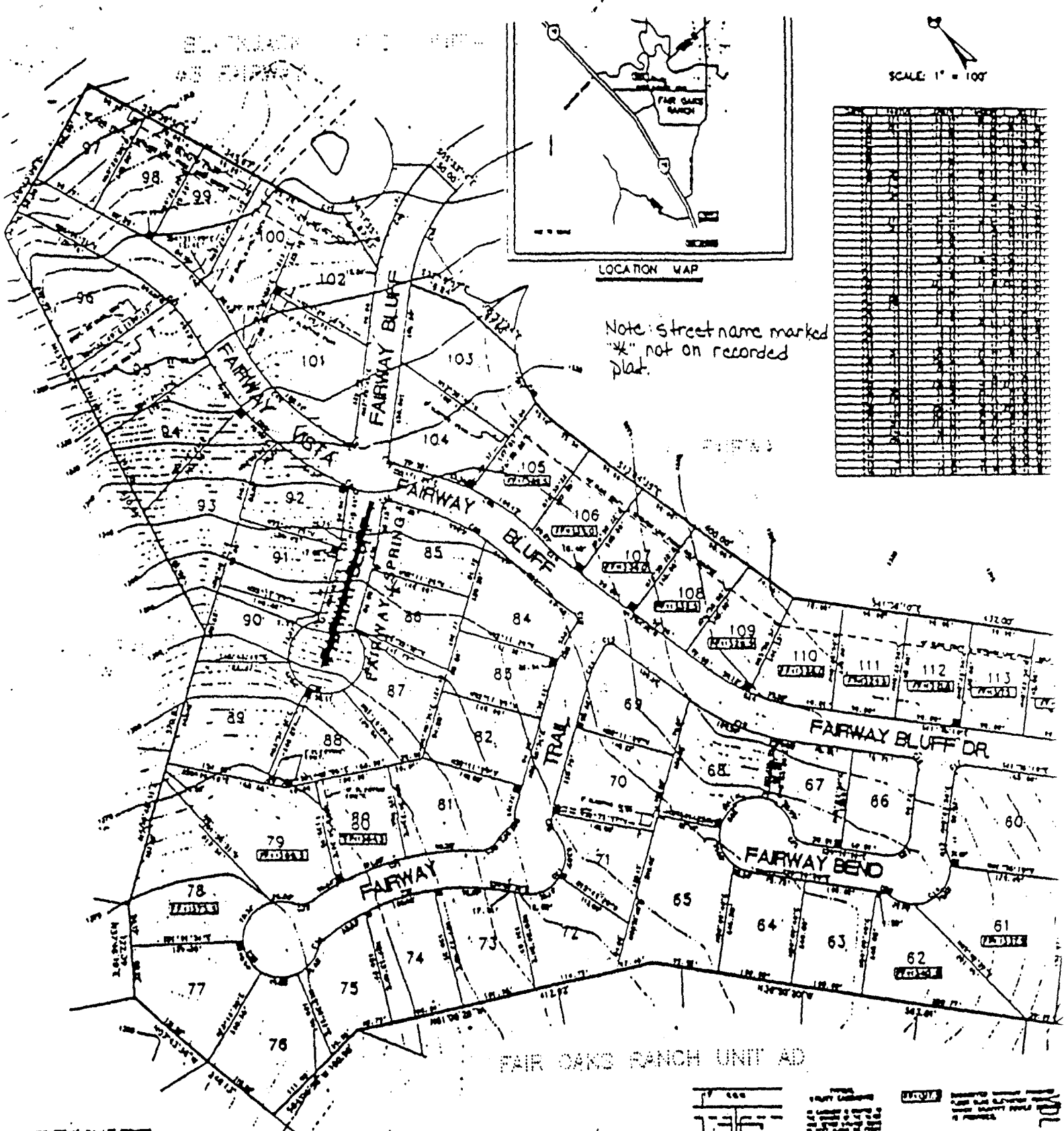
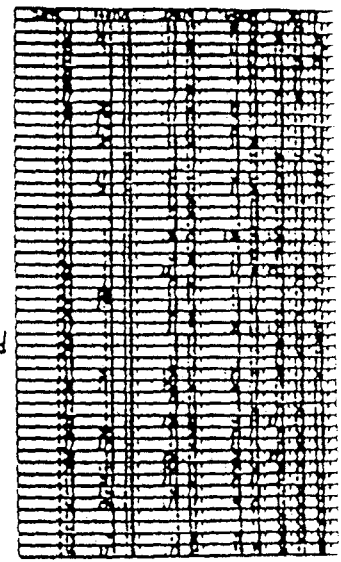


Exhibit B



SCALE: 1" = 100'



Note: street name marked "*" not on recorded plat.

BLACKJACK OAKS UNIT-2
EXHIBIT A

PL 5811 PG 1963