DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
STONE CANYON UNIT I
BEXAR COUNTY, TEXAS

Vol 3329 Page 2051

908428

STATE OF TEXAS

COUNTY OF BEXAR

THIS DECLARATION, made on the date hereinafter set forth by SITTERLE PROPERTIES, a Texas partnership of XL DEVELOPMENT, CORP., a Texas corporation, and SITTERLE BUILDING AND INVESTMENT, CORP., a Texas corporation, hereinafter referred to as "Declarant."

WITNESSETH;

WHEREAS, Declarant is the owner of certain real property which may hereinafter be referred to as the Property or Properties, located in San Antonio, Bexar County, Texas, and is more particularly described as follows:

Lots 1, through 19 inclusive, Block 1
Lots 1. through 10 inclusive, Block 2
Lots 1, through 17 inclusive, Block 3
Lots 1, through 27 inclusive, Block 4
Lots 1, through 8 inclusive, Block 5
Lots 1, through 17 inclusive, Block 6

all being in STONE CANYON, UNIT I, as recorded in Volume 9508 Pages 22 and 23 of the Plat and Map Records of Bexar County, Texas.

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

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

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WHEREAS, Declarant desires to insure the preservation of the values and amenities in said community and for the maintenance

Stone Canyon Unit I

B. McDonough
Sitterle Properties

of as Common Facilities, and to this end desires to further subject the above described real property, together with such additions, as may hereafter be made thereto as herein provided, to the covenants, restrictions, easements, charges, and liens hereinafter set forth, each and all of which is and are for the benefit of said property and each of the owners thereof; and

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

WHEREAS, a homeowner's association has been incorporated under the laws of the State of Texas as a non-profit corporation for the purposes of exercising the functions aforesaid and herein stated;

NOW THEREFORE, Declarant states that the real property above-described, and such additions thereto as may hereafter be made pursuant to the terms hereof, is and shall be held, transferred, sold, conveyed, occupied, and enjoyed subject to the covenants, restrictions, easements, charges, and liens hereinafter set forth and adopted to run with the land.

If the parties hereto, or any part of them or their successors or assigns, shall violate or attempt to violate any of the covenants herein, it shall be lawful for any person or persons to prosecute any proceedings at law or in equity, against the person or persons violating, or attempting to violate, any such covenant and either to prevent him or them from so doing, or to recover damages or other dues for such violation.

ARTICLE I

DEFINITIONS

Section 1. The following words when used in this Declaration or any Supplemental Declaration shall have the following meanings:

(a) "Association" shall mean and refer to the STONE OAK COMMUNITIES OF MUTUAL AMENITIES, INCORPORATED, (hereinafter referred to as SOCOMA, INC.), its successors and assigns provided for herein. SOCOMA, INC. shall be a non-profit association for and in behalf of the homeowner's within the "Properties", referred to and described herein, and such other homeowner's designated by the Declarant from neighboring subdivisions within Stone Oak.

(b) "Master Association" shall mean and refer to the STONE OAK PROPERTY OWNER'S ASSOCIATION (hereinafter referred to as SOPOA), its successors or assigns. SOPOA shall be a non-profit association for and in behalf of property owners (not restricted to residential) within "Stone Oak", referred to and described herein.

(c) "Properties" shall mean and refer to the above described properties and additions thereto, as are subject to this Declaration, or any Amended or Supplementary Declaration under the provisions of Article III Section 2 hereof.

(d) "Common Facilities" shall mean and refer to all property leased, owned, or maintained by the SOCOMA, INC. for the use and benefit of the members of the SOCOMA, INC. By way of illustration, Common Facilities may include, but not necessarily be limited to, the following: private streets or alleys, entry monuments, landscaped parkways, medians, designated lots, recreation or parksites, greenspace or floodplains, clubhouse and/or bathhouse, jogging or nature trails, walls, tennis courts, swimming pools and other similar or appurtenant improvements.

(e) "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties, with the exception of the Common Areas and land dedicated as public

(e) "Subdivision Plat" shall mean and refer to the map or plat of STONE CANYON, UNIT I, filed for record in Volume 9508, Page 22 & 23, Plat and Map Records of Bexar County, Texas.

(g) "Living Unit" shall mean and refer to a single family residence and its attached or detached garage situated upon a Lot. This includes zero-lot-line garden homes.

(h) "Improved Lot" shall be deemed to be an "improved lot" when construction of a Living Unit thereon is substantially completed, and the closing of a sale thereof has occured, or when said Living Unit is occupied for the purpose intended by the Owner, or his tenant, whichever first occurs.

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

(j) "Member" shall mean and refer to all those Owners who are members of the Association as provided in Article IV, Section 1, hereof.

(k) "Declarant" shall mean and refer to SITTERLE PROPERTIES, and its successors or assigns.

(l) "Architectural Control Committee" shall mean and refer to the committee created hereinafter, subject to the provision of Article VII hereof, by the Declarant. This committee shall enforce the guidelines and standards set forth by the STONE OAK ARCHITECTURAL CONTROL COMMITTEE (hereinafter referred to as "SOACC") as established in the Stone Oak Master Plan.

(m) "Stone Oak" shall mean and refer to that tract of land of which the "Properties" is part thereof, consisting of 4,386 acres, more or less (See Exhibit C) that has been subjected to a comprehensive land plan by Stone Oak, Inc., a Texas corporation, previous holder of title to the Property.

(n) "Master Plan" shall mean and refer to that document

and appurtant exhibits, appendices and addendums ther that set forth the plan for development of the properties within Stone Oak, as recorded in Volume 2978, Page 930-1024 Records of Bexar County, Texas, and all such amendments which may, from time to time, be duly enacted and recorded.

(o) "Stone Oak Project Planning Committee" (herein after referred to as "SOPPC") shall mean and refer to that committee set up by the master planners of Stone Oak, empowered through the Master Plan, to enforce the conformance of development and to interpret the guidelines therefore, as set out in the said Master Plan,

(p) "Zoning" shall mean and refer to the regulation of land use as set out in the Master Plan. Revisions of and/or waivers to the Master Plan shall be made only with the approval of the SOPPC. Requests for revision and/or waiver are to be submitted to SOPPC, c/o Stone Oak, Inc., 11306 Sir Winston, San Antonio, Texas 78216, Attn: SOPPC.

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

(r) "Eligible Mortgage Holder" shall mean and refer to any financial institution holding a first lien mortgage upon an Improved Lot, who has filed with the Association, in written form, a statement of their eligibility, to wit:

1. Name of Mortgagor.

2. Address and telephone number of Mortgagor.

3. Mortgagor contact.

4. Legal description and address of each Improved Lot under Mortgage.

5. Maturity date of each Mortgage.

6. Name of Mortgagee.

7. Request to be designated an Eligible Mortgage holder and notified as required hereinafter in Article III Section 2.(c).

ARTICLE II

RESERVATIONS, EXCEPTIONS, DEDICATIONS, SIDEWALKS, LAND USE CHANGES

Section 1. The subdivision plat dedicates for use as such, subject to the limitations set forth herein, certain streets and easements shown thereon, and such Subdivision Plat further establishes certain dedications, limitations, reservations and restrictions applicable to the Properties. All dedications, limitations, restrictions and reservations shown on the Subdivision Plat are incorporated herein and made a part hereof, as if fully set forth herein, and shall be construed as being adopted in each and every contract, deed or conveyance executed or to be executed by or on behalf of Declarant, conveying said property or any part thereof.

Section 2. Damages. Declarant shall not be liable for any damages done by any utility company or their assigns, their agents, employees or servants, using any easements, whether now or hereafter in existence, (located on, in, under or through the Properties) to fences, lawn, shrubbery, trees, or flowers or other property now or hereinafter situated on, in, under, or through the Properties.

Section 3. Easements. Each Lot shall be subject to any easement duly recorded on that particular recorded lot whether or not indicated by lot survey. Additonally, there is hereby created a right of ingress and egress across, over, and under the Properties for the sole purpose of installing, replacing, repairing, and maintaining all facilities for utilities, including, but not limited to water, sewer, cable T.V., telephone, electricity and gas, and appurtenances thereto.

Section 4. Sidewalks. The Owner of any individual Lot or Lots shall construct, or cause to be constructed, at his or their own expense, a four foot (4') wide concrete sidewalk, which shall be parallel and immediately adjacent to the street and which shall be of exposed-aggregate finish. The design for the sidewalk shall be according to the plan for sidewalks

which shall be approved by the Architectural Control Committee.

Section 5. Walls. The Owner of any individual Lot of Lots which abuts any major arterial street, collector street, parkway or highway, as defined by the City of San Antonio, shall construct or cause to be constructed, at his or their own expense, a six foot (6') high masonry wall (fence) along that lot (or lots) line abutting said traffic way. The design of the wall shall be subject to the approval of the Architectrual Control committee, and the SOACC. Thereafter, so long as ownership of the lot is held, the owner, his successors or assigns, shall maintain and upkeep, at his sole expense, the fence (or walls) in both a stable and attractive condition, in conformance with the approved design. The Architectural Control Committee and the SOACC may waive all or any part of this requirement. Such waiver must be in writing.

Section 6. Land Use Changes. No change in the land use within the Properties will be applied for, nor in any way be effective with respect to the Properties, without the prior written approval of the SOPPC.

Section 7. Private Ingress-Egress Easements. For the purpose of providing vehicular access to those certain lots set out in group A and B, private ingress-egress easements were dedicated across the rear of the lots in Group I and II respectively. The Declarant shall construct within these easements a twelve foot (12') wide paved roadway with driveway access unto dedicated streets at each end. It shall be the responsibility of the lot owners in Groups A and B respectively to provide for the mutual upkeep and maintenance of the roadway surfaces across the lots in Group I and II respectively, as well as the immediate elimination of any obstruction, located therein, which might inhibit or impede the use of the paved surface by any other intended user.

For the purpose of preventing opposing traffic conflicts, the Declarant herein establishes a "one-way only" designation to the traffic upon these easements, said one-way movement being

from the northwest driveway end to the southwest driveway end.

GROUP A	GROUP B
Lots holding access easement across Lots in Group I, below Lots 1 thru 7, Block 4 excluding Lot 5	Lots holding access easements across Lots in Group II, below Lots 1 thru 17, Block 3

GROUP I	GROUP II
Lots 1 thru 7, Block 4 excluding Lot 5	Lots 1 thru 8, Block 3

ARTICLE III

PROPERTY SUBJECT TO THIS DECLARATION; ADDITIONS OR MODIFICATIONS THERETO

Section 1. Existing Property. The real property which is, and shall be, held, transferred, sold, conveyed and occupied subject to this Declaration is that certain Lots as follows:

Lots 1 through 19 inclusive, Block 1
Lots 1 through 10 inclusive, Block 2
Lots 1 through 17 inclusive, Block 3
Lots 1 through 27 inclusive, Block 4
Lots 1 through 8 inclusive, Block 5
Lots 1 through 17 inclusive, Block 6

All being in STONE CANYON, UNIT I as recorded in Volume 9508, Pages 22 and 23, of the Plat and Map Records of Bexar County, Texas, and being 35.724 acres out of the Beaty, Seale and Porwood Survey No. 9, Abstract No. 112, County Block No. 4933, and the Beaty, Seale and Porwood Survey No. 11, Abstract No. 114, County Block No. 4939, Bexar County, Texas. Which have heretofore been platted under that certain residential subdivision known as STONE CANYON, UNIT I, according to the Subdivision Plat, or any subsequently recorded replat of said subdivision, all of which real property is sometimes hereinafter referred to as the "Existing Property"

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

(a) Additions by Declarant. The Declarant, its successors and assigns, shall have the right to bring within the scheme of this Declaration and without the consent of Members, additional properties in future stages of the development, provided that

such additions compliment the existing subdivision plan both in design and value. Any additions, authorized under this and the succeeding subsections, shall be made by filing of record an Amended or Supplementary Declaration of Covenants and Restrictions with respect to the additional property which shall extend the scheme of the covenants and restrictions of this Declaration to such property, and the execution thereof by the Declarant, shall constitute all requisite evidence of the required approval thereof. Such Amended or Supplementary Declaration may contain such complimentary additions and/or modifications of the covenants and restrictions contained in this Declaration as may be applicable to the additional lands and are consistant with the overall subdivision concept. In no event, however, shall any such Amended or Supplemenatry Declaration revoke, modify or add to the covenants established by this Declaration as they are applicable to the existing Property. In addition, such Amended or Supplementary Declaration shall provide for the following:

(1) A description of the legal method of expansion that will be used;

(2) A legal description of the annexable property, and the number of units that may be added;

(3) The time limit within which any expansion will take place;

(4) The method for determining the effective date for assigning assessments or granting voting rights to the annexed units;

(5) A requirement that all improvements intended for future phases will be substantially completed prior to annexation;

(6) The formula for determining the undivided interest in the total common areas of the project that will be allocated to the owners of the annexed units;

(7) A statement of the reciprocal easements for specified common areas in the various phases, if the unit owners in the new phases do not share an undivided interest in the project's total common areas;

(8) A description of the annexation document that will be recorded;

(9) A statement covering all reasonably necessary details and procedures required by law when the expansion is to be accomplished by the future merger of legally separate projects;

and

(10) A requirement that future improvements will be consistent with the initial improvements in terms of quality of construction.

(b) Other Additions. Upon the approval of the Association by a two-thirds (2/3) vote of all of its Members, the owner of any property who desires to add it to the scheme of this Declaration, and to subject it to the jurisdiction of the Association, may file of record a Supplementary Declaration of Covenants and Restrictions, upon the written submission by the proponent thereof of the following:

(1) The proposed property shall be described by size, location, proposed land use, and gerneral nature of proposed private improvements;

(2) The proponent shall described the nature and extent of Common Facilities to be located on the proposed property;

(3) The proponent shall state that the proposed additions, if made, will be subject to all Association assessments.

(c) Amendment. This Declaration may be amended until January 1, 2005, by written instrument executed by ninety percent (90%), or more, of the Lot Owners, and thereafter, by written instrument executed by seventy-five (75%), or more, of the Lot Owners. In such cases where a single entity owns more than one Lot, that entity shall be deemed a separate lot owner and shall have one (1) vote for each Lot owned. No amendment shall be effective until approved and filed of record in the Official Public Records of Real Property, Bexar County, Texas. In addition, material amendments to this Declaration must be approved by Eligible Mortgage Holders representing at least fifty-one percent (51%) of the votes of Living Units that are subject to mortages held by Eligible Mortgage Holders. For the purpose hereof, the following amendments shall be considered material:

(1) voting rights;

(2) assessments, assessment liens, or subordination of assessment liens;

(3) reserves for maintenance, repair and replacement of common areas;

(4) responsibility for maintenance and repairs;

(5) reallocation of interests in the general or limited common areas, or rights to their use;

(6) convertibility of Living Units into common areas or vice versa;

(7) expansion or contraction of the project, or the addition, annexation or withdrawal of property to or from the project;

(8) insurance or fidelity bonds;

(9) leasing of Living Units;

(10) imposition of any restrictions on an Owner's right to sell or transfer his or her Living Unit;

(11) a decision by the Association to establish self management when professional management had been required previously by an eligible mortgage holder;

(12) restoration or repair of the project (after a hazard damage or partial condemnation) in manner other than that specified in the documents; or

(13) any provisions that expressly benefit mortgage holders, insurers or guarantors.

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Membership. Every person or entity who is a record owner of a fee or undivided interest in any Lot which is subject to the jurisdiction of, 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 merely as security for the performance of an obligation, shall not be a Member. Membership shall be appurtenant to, and may not be separated from, ownership of a Lot which is subject to assessment.

Section 2. Voting Rights. The Association shall have two classes of voting membership:

Class A. Class A Members shall be all those Owners as defined in Section I with the exception of the Declarant and/or builder entity designated by the Declarant. Class A Members shall be entitled to one vote for each Lot in

which they holds the interest required for membership.

If more than one person hold 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 Member shall be the Declarant, and/or Builder entity as designated by the Declarant. The Class B Member shall be entitled to three votes for each Lot in which it holds the interest required by Section The type of membership of Lot Owners within the Property shall change on the happening of the following events, whichever occurs earlier:

(1) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or

(2) On January 1, 1990.

From and after the happening of these events, whichever occurs earlier, the Class B Member within the Property shall be deemed to be a Class A Member entitled to one vote for each Lot in which it holds the interest required for membership under Section 1.

Notwithstanding anything to the contrary contained herein, the Declarant shall transfer control of the Association to the Owners no later than the earlier of: (a) four (4) months after seventy-five percent (75%) of the Living Units subject to the jurisdiction of the Association have been conveyed by the Declarant; ~~or (b) ten (10) years after the first Living Unit is conveyed by the Declarant.~~

Changed by Amendment #3

ARTICLE V

PROPERTY RIGHTS IN THE COMMON FACILITIES

Section 1. Members' Easements of Enjoyment. Subject to the provisions of Section 3 of this Article V, every Member

shall have a common right and easement of enjoyment in and to the Common Facilities and such right and easement shall be appurtenant to and shall pass with the title to every Lot.

Section 2. Title to Common Facilities. The Declarant shall transfer the legal title or leasehold to the Common Facilities at such time as the land has been duly subdivided and the plat of said subdivision has been duly recorded, or within 30 days after the Association has been established as a legal entity. Notwithstanding any provision to the contrary herein, the Declarant hereby covenants, for itself, its successors and assigns an access easement over, upon and across all Common Facilities for the purpose of maintaining said facilities to such level above that otherwise provided by the Association, that the Declarant deems appropriate.

Section 3. Extent of Members' Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

(a) The rights and easements existing or hereafter created in favor of others as provided for in the Subdivision Plat and/or in Article II hereof.

(b) The rights of the Association, once it has obtained legal title to the Common Facilities, as provided in Section 2, above, to do the following:

(1) to borrow money for the purpose of constructing, maintaining or improving the Common facilities and, in aid thereof, to mortgage said properties and facilities, in accordance with the Articles of Incorporation and By-Laws of the Association.

(2) to take such steps as are reasonably necessary to protect the above described properties and facilities against foreclosure; and

(3) to suspend the enjoyment rights of any Member for any period during which any assessment remains unpaid, and for any period not to exceed sixty (60) days for any infraction of the published rules and regulations; and

(4) to assess and collect the assessments as set forth in Article VI, and to charge reasonable admission and other fees for the use of the Common Facilities; and

(5) to dedicate or transfer all or any part of the Common Facilities under its' ownership

to any public agenby, authority, or utility for such purposes and subject to such conditions as be approved by a two-thirds (2/3) vote of the Members.

Section 4. Delegation of Use. Any owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

Section 5. Maintenance of Common Areas. The Association shall maintain the Common Area and all limited common areas, if any.

ARTICLE VI

COVENANTS FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned by it within the Property, hereby covenants, and each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to convenant and agree to pay to the Association: (1) municipal service fees under contract to the Association (2) monthly assessment charges and (3) special assessments for capital improvements, such assessments to be fixed, established, and collected, from time to time, as hereinafter provided. The monthly and special assessments, together with such interest thereon, and costs of collection thereof, as are hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property, against which each such assessment is made. Each such assessment, together with such interest thereon, and cost of collection thereof, as hereinafter provided, shall also be the personal obligation of the person who was the owner of such property at the time the obligation accrued. The personal obligation for delinquent assessment shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the

purpose of promoting the recreation, health, safety, urity, convenience 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. For the convenience of Lot Owners, SOCOMA, INC. will collect and disburse municiple charges and such other fees essential to the health and safety of residents. These fees will include, but not be limited to; SOPOA dues, fire protection, refuse collection and street lighting. Pro-rated shares of these expenses will be collected with quarter-annual assessments.

Section 3. Basis and Maximum of Annual Assessments. The annual assessment for both improved and unimproved Lots shall be due and payable on a quarter-annual, in-advance basis. The assessments 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. Up to January 1, 1988, the assessment for improved Lots shall not exceed $33.33 1/3 per month ($400 per year). The annual assessment for unimproved Lots shall be one-fourth (1/4) the annual assessment for improved Lots. From and after January 1, 1988, the maximum annual assessment for improved Lots and maximum annual assessment for unimproved Lots may be increased by vote of the Members as provided in Article V, Section 5 hereof. The Board of Directors may fix the annual assessment at any amount not in excess of said maximum, set by membership vote.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments provided for in Section 3, the Association may levy, in any assessment year, a Special Assessment on improved Lots only, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement on or which is part of the Common Facilities, provided that any such assessment shall have the assent of two-thirds

(2/3) of the votes of each improved Lot Owner who are voting in on or by proxy at a meeting duly called for this purpose. Written notice of meetings in which Special Assessments are to be voted upon, shall be sent to all improved Lot Owners at least thirty (30) days in advance and shall set forth the purpose of the meeting.

Section 5. Change in Basis and Maximum of Annual Assessments. Subject to the limitations of Section 3 hereof, and for periods therein specified, the maximum annual assessment may be adjusted by majority vote of teh Board of Directors, but shall not be increased by more than ten percent (10%) above the previous year, without Membership vote. An increase in the maximum annual assessment for more than ten percent (10%) above that of the previous year may be made, provided that any such change, shall have the assent of two-thirds (2/3) of the votes cast in person and by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all Members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

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

At the first meeting called, as provided in Sections 4 and 5 hereof, the presence at the meeting of Members, or of proxies, entitled to cast sixty 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 in Section 4 and 5, and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting, provided that such reduced quorum requirement shall not be applicable to any such subsequent meeting held more than sixty (60) days following the preceding meeting.

Section 7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall

commence as to all Lots platted prior to February , 1985 on the first day of October 1985. The first quarter-annual installment of the annual assessments for the calendar year 1986 shall be due and payable on January 1, 1986. The Board of Directors shall fix the amount of the annual assessment at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. When a Lot becomes an improved Lot, after the annual assessment for it, as an unimproved Lot, has been paid, there shall be payable, as of the first day of the month following the date 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 pro-rated over the balance of the year remaining. The due date of any special assessment under Section 4 hereof shall be fixed in the resolution authorizing such assessment.

Section 8. Effect of Non-Payment of Assessments: The Liens; Remedies of the Association. If the assessments are not paid on the date when due, then such assessment shall become delinquent and shall, together with such interest thereon and cost of collection thereof become a continuing lien on the property which shall bind such property in the hands of the Owner of record, his heirs, devisees, personal representatives and assigns. If the assessment is not paid within thirty (30) days after the delinquency date, the assessment shall bear simple interest from the date of delinquency at the rate of twelve percent (12%) per annum, and the Association may bring an action at law against the Owner, to pay the same or to foreclose the lien against the property, and there shall be added to the amount of such assessment all reasonable expenses of collection, including the costs of preparing and filing the complaint, reasonable attorney's fees and costs of suit. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the common area or abandonment of his lot.

Section 9. Subordination of the Lien to Mortgages.

CLARIFICATION OF ARTICLE VI, SECTION 8

At the January 14, 2002 Board meeting, the SOCOMA Board of Directors passed the following resolution which will clarify how payments are handled:

> Order of Crediting Payments: Payments received shall be first applied to late charges, interest and collection expenses before being applied to the assessments owed.

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

Section 10. Working Capital Fund. In order to provide for unforeseen expenditures, or to purchase any additional equipment or services, the Declarant shall establish a working capital fund equal to two (2) months' monthly assessment on an improved Lot for each Lot in the Property. Any such amounts paid into the working capital fund, shall be in addition the regular monthly assessment charges and shall not be considered as advance payments of regular assessments. Each Owner's share of the working capital fund shall be collected at the time the sale of each Living Unit is closed. All such funds shall be transferred to the Association for deposit into a segregated fund. Within sixty (60) days after the closing of the first Living Unit, the Declarant shall pay each unsold Living Unit's share of the working capital fund to the Association. Thereafter, upon the closing of each subsequent Living Unit, the Declarant shall be reimbursed from the funds collected at the closing of each unsold Living Unit.

ARTICLE VII

ARCHITECTURAL CONTROL COMMITTEE

Section 1. Purpose. In that the Property is designed as a single family residential community, the Declarant has established an Architectural Control Committee for the purposes of (1) preventing unusual, radical, uncommon, bizarre, or uncompatible home designs, (2) maintaining a harmony of external

design, and (3) to establish standards of home construction, location, and compatibility. The Architectural Control Committee shall be sometimes hereinafter referred to as the "Committee".

Section 2. Committee Member. Said Committee shall be comprised of at least three members, appointed by the Declarant. The initial committee members shall be Daniel S. Sitterle, 3520 N. FM 1604 East, San Antonio; Jerry Dickson, 3520 N. FM 1604 East, San Antonio; Carlton S. Simpson, 3520 N. FM 1604 East, San Antonio. The Declarant may, from time to time, at its sole descretion, appoint additional members or change existing committee members. In the event a vacancy occurs and the Declarant fails to appoint a member(s) to the committee, the Board of Directors of SOCCOA, INC. may fill such vacancy by appointing a Lot Owner of its choice; providing however, it shall first give thirty (30) day written notice to Declarant of its intent to do so and the Declarant selects not to make said appointments during said thirty (30) day period.

Section 3. Approvals. The Committee shall be the sole authority for determining whether proposed structures (or modifications/additions thereto) comply with applicable convenants and restrictions, and are in harmony of external design with existing structures within the Properties, and is in keeping with the overall plan for the development of the Properties. On all matters before the Committee, majority vote shall constitute approval. Said approvals shall be in writing.

There shall be no review of any action of the committee, except by procedures of injunctive relief when such action is patently arbitrary and capricious; and under no circumstances shall the Committee, or its members collectively or individually, be subject to suit by any entity for damages.

Section 4. Entitlements. No Committee Member or a representative designated by said Committee shall be entitled to any compensation for services performed pursuant to this Covenant, other than reasonable out-of-pocket expenses.

Section 5. Other Matters. All matters requiring approval

...tectural Control Committee, whether or not specifically add...ssed herein, shall require that such approval be in writing; however, in the event the Committee fails to approve or disapprove any of such matters within thirty (30) days after written submission thereof to the Committee, approval will not be required, and the requirement that such approval be obtained shall be deemed to have been fully complied with.

ARTICLE VIII

DESIGN APPROVAL, CONSTRUCTION AND USE COVENANTS

Section 1. Design Approval Requirements. No building, structure, fence, wall, landscaping, recreational facilities of any kind, or other improvement shall be commenced, erected or maintained upon the Properties; nor shall any exterior addition to or change, or alteration thereto, be made until the detailed plans and specifications therefore shall have been submitted to the Architectural Control Committee and said Committee has approved in writing its compliance with minimum standards in relation to property lines, easements, grades, surrounding structures, walks, topography and all other matters related thereto. The submitted plans and specifications shall specify, in such form as the Committee may reasonably require, materials, elevations, landscaping detail, and the nature, kind, shape, heights, exterior color scheme, and location of the proposed improvements or alterations thereto. In the event said Architectural Control Committee fails to approve or disapprove such plans and specifications within thirty (30) days after the plans and specifications have been submitted to it, approval will not be required and the provisions of this Section will be deemed to have been fully complied with. The Committee is not required to police, or enforce compliance with such considerations as minimum size, setbacks, or other specific, objective construction requirements.

Section 2.0 Property Use.

Section 2.1. Use Restrictions. The Properties shall

be used only for the development of single family attached homes, or detached garden homes, all of which are to be used exclusively as private single residences, and common facilities serving the owners and residents thereof. 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. This restriction shall not, however, prevent the inclusion of permanent living quarters for domestic servants or to allow domestic servants to be domiciled with an owner or resident.

Section 2.2. Lot Consolidation. 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 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 ten thousand (10,000) square feet of land. Provided, however, that the Lot resulting from such consolidation shall bear, and the Owner thereof shall be responsible for, all assessments theretofore applicable to the Lots which are consolidated.

Section 2.3. Professional Signs. No sign of any kind shall be displayed to the public view on any portion of the Properties, except that one (1) sign of not more than five (5) square feet advertising a residence located in the Properties for sale or rent, nor used by a builder to advertise a residence for sale during the construction and sales period without the expressed written permission of the Architectural Control Committee.

Section 2.4 Animals and Pets. No poultry, livestock, snakes, or other animals of any kind shall ever be raised, kept, bred, or harbored on any portion of the Properties, except that dogs, cats, or other common household pets (not to exceed a total of three (3) adult animals) may be kept, provided that they are not kept, bred, or maintained for any commercial purposes

at all times, except when they are confined within the boundaries of a private single-family residence or Lot upon which same is located, be restrained or controlled by a leash, rope, or similar restraint or a basket, cage, or other container.

Section 2.5. Accumulation of Trash and Rubbish. Except as provided in Section 2.10 of this Article, no trash, rubbish, garbage, manure, putrecible matter or debris of any kind shall be dumped or permitted to accumulate on any portion of the Properties. All rubbish, trash, or garbage shall be kept in sanitary refuse containers with tightly fitting lids, and, except as necessary for purposes of affecting garbage pickup, said containers shall be kept in an area of the Lot adequately screened by planting or fencing.

Reasonable amounts of construction materials and equipment may be stored upon a Lot or the Common Facilities by the Owner thereof for reasonable periods of time during the construction of improvements thereon.

Section 2.6. Boats, Trailers, etc. No boat, trailer, camping unit, or self propelled or towable equipment or machinery of any sort shall be parked for storage on any Lot except in a closed garage, or in an area adequately screened by planting or fencing; provided, however, that during the construction of improvements on a Lot, necessary construction vehicles may be parked thereon for and during the time of such necessity.

Section 2.7. No Extraction of Natural Resources. No oil or natural gas drilling, oil or natural gas development or oil refining or quarrying, or mining operations of any kind shall be permitted upon any portion of the Properties, nor shall oil, natural gas, or water wells, tanks, tunnels, mineral excavations or shafts be permitted upon, in or within any portion of the Properties. No derricks or other structures for use in the boring or drilling for oil, natural gas, minerals or water shall be erected, maintained or permitted upon, in or within any portion of the Properties.

Section 2.8. No Nuisances. No nuisance shall ever be erected, caused or suffered to remain upon any port of the Properties, nor shall an owner's, resident's or other party's use of the Properties, or any protion thereof, whether same be a Lot, part of the Common Facilities or otherwise, endanger the health or disturb the reasonable enjoyment of any other owner or resident or visitor of, or to, the Properties.

Section 2.9. Landscaping, etc. All landscaping, mailboxes, sidewalks, driveways, lighting or other improvements on any Lot which are not concealed from view from every other Lot, other portions of the Properties or from any street must be harmonious and in keeping with the overall character and aesthetics of the Properties. To this end, the plans therefore shall be submitted to the Architectural Control Committee for its approval, or disapproval prior to the construction, alteration and/or placement of such items.

Section 2.10 Necessary Temporary Facilities. Notwithstanding the other provision of this Article, Declarant reserves unto itself the exclusive right erect, place, and maintain temporary facilities in or upon any portions of the Properties as Declarant, in its sole descretion, may determine to be necessary. In addition, each Lot Owner shall have the right to erect, place, and maintain on his Lot such temporary facilities as may be necessary or convenient for the construction or modification of a residence thereon.

Section 2.11. No Cesspools. No privy, cesspool, or septic tank shall be placed or maintained upon any portion of the Properties. Portable toilets of a commercial character may be inconspicuously located during period of construction for the convenience of the workers performing such works.

Section 2.12 Exposed Antennas and Athletic Equipment.

(1) No exterior antenna shall be permitted on any dwelling. This is to include derricks or antennas of any nature mounted on, in, or around the dwelling or the lot upon which the dwelling rests.

... net standards, etc., shall ... affixed to the street face of the dwelling nor may they be placed on the lot between the dwelling and the street.

Section 2.11 Maintenance of Yards, Etc. The Owners of all Lots shall at all times keep weeds, shrubbery and trees thereon cut in a sanitary, healthful, and attractive manner; provided, however, that no tree measuring four inches (4) or more in diameter, measured twelve inches (12) above the ground, shall be removed or cut without the written approval of the Architectural Control Committee. Lot Owners shall also be required to provide and allow safe and adequate drainage within and across their Lot to include appropriate and adequate provisions when building, maintaining or constructing fences, walks, landscaping, or any other potential obstruction which would divert, impede, or cause to back up run off water.

Section 2.12 Fences. Except those fences/walls constructed in accordance of Section 5, Article II, all fences shall be constructed of either masonry, wood (of the type approved by the Architectural Control Committee) or a combination of both. wood fencing shall be at least six foot (6') high, but no higher than eight feet (8'), either 1" x 4" or 1" x 6" boards, suitablely arranged to affect full privacy. Such boards shall be installed with the smooth side facing the street or public right-of-way, unless an alternate design is approved by the Committee. Any fence wall or hedge built forward of the front wall line of the respective house must be approved by the Architectural Control Committee. No chain link fencing will be installed unless specifically approved by the Architectural Control Committee. Where fence requirements contained herein differ from those set forth in the Master Plan, the more restrictive shall be inforced and applicable.

Section 3.0 Construction Covenants.

Section 3.1 New Construction Only. Any and all

improvements erected, altered or placed on portion of the Properties shall be of new construction and shall be built in place, and except as provided in Section 2.10 of this Article, no structure of a temporary character, including, but not limited to trailers, mobile homes, tents, shacks, garages, barns, or other out-buildings shall be used anywhere on, in or within the Properties at any time, except as specifically provided for herein. However, an out-building of a temporary nature may be used for purposes of storage; provided, however, that same shall be placed or located in such manner that it is not visible from the Common Facilities, or any part thereof, or any adjoining streets.

Section 3.2. Dwelling Cost, Quality and Size. No dwelling shall be permitted on any Lot in these subdivisions having a market value of less than 100,000 based upon market values prevailing on the date these Covenants are recorded. The minimum floor area of the main structure, measured to the outside of exterior walls exclusive of garages, open porches, patios, and detached accessory buildings, shall be not less than 1700 contiguous square feet. See Section 3.13 for garage requirements.

Section 3.3 Maximum Height. No building or structure erected, altered or placed on, within or in the Properties shall exceed twenty-five feet (25') in height (measured from the top of the foundation to the utmost part of the roof) nor be more than two (2) stories in height; provided, however, that all applicable ordinances, regulations, re- strictions and statutes with respect to the maximum height or building and structures shall, at all times, be complied with.

Section 3.4 Fire Walls. Regardless of any approvals granted to the contrary, any building or other structure located on a Lot line must be provided with a suitable

regula[illegible]s and/or statutes, including, but not limited to, the codes and ordinances of the City of San Antonio, Texas.

Section 1.5 Placement of Structures on Lots. Subject to more stringent requirements hereinafter set forth, no building or other structure shall be located on any lot nearer to the front lot line nor nearer to the side street line than the minimum setback lines shown on the recorded subdivision plat. For the purpose of this covenant, eaves, steps, and open porches shall not be considered as part of a building; provided, however, this shall not be construed to permit any portion of a building to encroach upon another lot.

Section 1.5.1 Single Family Detached Residential Lots. No building shall be located on any single family detached residential lot nearer than twenty (20) feet to the front lot line or further back than forty-five (45) feet from the front line, or nearer than five (5) feet to an interior lot line, except a detached garage or outbuilding the front of which is not more than fifty (50 feet from the rear lot line may be erected no nearer than three (3) feet to the side lot line. No dwelling shall be located on any lot nearer than fifteen (15) feet to the rear lot line except dwellings on lots facing cul-de-sacs, [redacted], or on other unusually shaped lots, found to be such by the Committee, for which the setback shall be at least ten (10) feet from the rear lot line. Side loading garages shall be set back from side lot line seventeen feet (17') minimum measured along the center axis of the driveway. Every outbuilding, except a greenhouse, shall correspond in style and architecture to the dwelling on which it is appurtenant, and shall be of the same exterior materials, both walls and roof. No outbuilding shall exceed the dwelling to which it is appurtenant, in height or number

At the December 10, 2001 Board meeting, the SOCOMA Board of Directors, with approval from legal council, approved the following resolution to clarify the requirements for an Outbuilding (Shed).

Outbuildings: Prior to the construction of any outbuilding, the owner of the property must submit to the Architectural Control Committee a completed Application for Improvement form along with the following:

1. A site plan at 1/8"= 1' scale. The plan must show the "footprint" of the building and the location of the outbuilding on the lot.
2. A detailed description of the design, construction, and roofing materials with color samples.

Rules for the Outbuildings are as follows:

1. All outbuildings shall be constructed on site and have a concrete slab sufficient to support the structure.
2. Placement on the lot shall be no more than 50' from the rear lot line and no nearer than 3' from the side lot line.
3. The materials used must be new construction and the same as the primary dwellings main or secondary material. That material will be brick, rock, stucco, wood or hardy board. The roof must be pitched and be of the same material used on the primary structure. The colors must be same as the primary dwelling.
4. No outbuilding may exceed 10% of the first floor area of the main dwelling and may not exceed the first floor of the dwelling in height. However, if these dimensions are already mentioned in the covenants, then those dimensions prevail.
5. The Outbuilding shall correspond in style and architecture to the dwelling on which it is appurtenant.

of stories. Variations to the setbacks setforth herein or as setforth in the Master Plan may be granted by wr a waiver by the Architectural Controll Committee and SOACC.

Section 1.6 Masonry. The exterior walls of the main residence building constructed on any lot shall be composed of at least 75% masonry or masonry veneer, said percentage to apply to the aggregate area of all exterior walls. Doors, windows and similar openings shall be included as contributing to the minimum masonry requirements. The minimum masonry requirement specified shall apply to only the lower floor for a two-story dwelling. Masonry or masonry veneer shall include stucco, ceramic tile, clay, brick, rock and all other materials commonly referred to as masonry in the San Antonio, Texas area. Notwithstanding the foregoing, the Architectural Review Committee is empowered to waive this restriction if, in its sole discretion, such waiver is advisable in order to accommodate unique or advanced building concept, design or material and the resulting structure will not detract from the general appearance of the neighborhood.

Section 1.7 Roofing. All roof materials shall be (i) metal, left natural or painted a color approved by the Architectural Control Committee, using standing or battened seams, or (ii) ceramic or concrete tile of a color approved by the Architectural Control Committee. Only one type of roof material may be used on any structure having a common fire wall.

All roof forms and/or materials other than those above, must be approved by the Architectural Control Committee. Gutters and downspouts must be provided on all roof sections which drain water onto an adjacent Lot.

Sreiton 1.8. Windows and Glass. Windows shall be wood or finished metal framed windows, in a color approved by the Architectural Control Committee. All glass in exterior windows shall be of a color and type approved by the Archi-

Section 3.9. Insulation. All ceilings, and all ext r walls, except those in garages, shall have no less than the minimum insulation as set forth in the HUD (FHA) Minimum Property Standards, current edition.

Section 3.10. Siding. Subject to the limitations imposed by Section 3.6, wood siding may be used. All other siding materials, and all siding colors, must be approved by the Architectural Control Committee.

Section 3.11. Exterior Lighting. Exterior light fixtures other than that provided at the front door of each residence must be approved by the Architectural Control Committee.

Section 3.12. Driveways and Front Yards. All driveways shall be exposed aggregate finished concrete unless otherwise approved by the Architectural Control Committee. The front yard area between the lot line adjacent to the "fronting" street and the front of the main structure, shall have no more than ten percent (10%) covered with concrete (excluding driveways) without approval of the Architectural Control Committee.

Section 3.13. Garage Requirement. Each living unit shall have an enclosed garage suitable for parking at least two (2) standard size automobiles, which conforms in design and materials with the main structure. Garages may be separate units or attached to the main structure.

ARTICLE IX

EDWARDS RECHARGE ZONE

Section 1. Enforcement. The geologic and geographic area upon which the property lies, has been classified by the State of Texas, as being on the Edwards Recharge Zone, and the development is covered by the provisions of Texas Water Quality Board Order No. 75-0128-20-(4) dated September 23, 1975. The

deletions are herewith made a part of these Restrict' s, to run with the land, so long as the State of Texas may impose these requirements, through the Texas Water Quality Board, or such other agency to which the State of Texas may designate authority.

Section 2. Specification Provisions. Specific provisions applicable to all future property owners are noted as follows:

(1) Septic tanks are prohibited.

(2) Any sewage system constructed on the Property shall be tested, inspected, and supervised by a Registered Professional Engineer.

(3) The operation of the syste: will be regularly tested and inspected according to the T.W.Q.B. Order. Corrective actions will be taken when found necessary.

(4) All developed Lots shall be provided with a minimum of six (6) inches of soil for turf or lawn areas.

(5) A street-sweeping progra to be maintained, so long as required by the State of Texas, or until the area is annexed by the City of San Antonio. For reasons of perpetuity this function is assigned to the Homeowners Association.

(6) Highly soluble nitrate fertilizers will not be used. All property owners are duly cautioned as to use of lawn fertilizers.

(7) Any underground storage of hydrocarbon products, chemicals, or other industrial liquids and/or liquid wastes other than sanitary sewage shall be double-wall construction and otherwise in accordance with requirements of the State of Texas.

(8) No right-of-way easements for transporting liquid petroleum will be permitted.

(9) No final disposal of solid waste in the subdivisions will be permitted.

(10) Existing wells, except monitoring wells, shall be plugged, as required, upon abandonment within thirty (30) days.

(11) The U.S.G.S. carries out the functions of monitoring surface run-off. The records are available as required by the T.W.Q.B. Order.

(12) Developer provided monitoring wells as required. Sampling is performed by U.S.G.S.

ARTICLE X

GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Lot Owne hall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, assessments and charges now or hereafter imposed by the provision of this Declaration. Failure by the Association, or by any Lot 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 2. Severability. Invalidation of any one of thes covenants or restrictions by judgement or court order shal in no way affect any other provisions, which shall remain in f ll force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with, and bind the land for a term of thirty (30) years from the date this Declaration is recorded, after which time, they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than seventy-five percent (75%) of the Lot Owners. Any amendment must be recorded in appropriate format in the official records of Bexar County, Texas.

Section 4. Annexation.

(1) Additional land that directly abuts the platted recorded HILLS OF STONE OAK, UNIT I may be annexed by the Declarant without the consent of Owners within twenty (20) years of the date of this instrument.

10 Years

Amendment 2

(2) Additional residential property and ommon Area may be annexed to the Properties ith the consent of two-thirds (2/3) vote of he votes cast by the members.

Section 5. Availability of Project Documents. Copies of the Declaration, Bylaws, Articles of Incorporation and other rules concerning the Association, and the books, records and financial statements of the Association shall be available for inspection by Owners, and by the holders, insurers and guarantors of first mortgages, that are secured by Living Units, at the principal office of the Association, located at 3520 E. FM 1604

In addition the Association shall provide within sixty (60) days an audited statement for any preceding fiscal year, if the holder, insurer or guarantor of any first mortgage that is secured by a Living Unit, submits a written request for same.

Section 6. Termination of Legal Status of the Project. Eligible Mortgage Holders, representing at least sixty-seven percent (67%) of the mortgaged Living Units, must approve the termination of the legal status of the project for reasons other than substantial destruction or condemnation of the Properties.

Section 7. Managment Contracts. The Declarant shall have the right to enter into any and all professional management contracts, prior to the date that control of the project is transferred to the Association. Provided, however, all such contracts shall include a right of termination, without cause, that the Association can exercise at any time after the transfer of control, and such right of termination shall not require the payment of any penalty or advance notice of more than ninety (90) days.

Section 8. Leasing Requirements. Any lease or rental agreement concerning the leasing of a Living Unit must be in writing and shall be subject to the requirements of this Declaration, the Bylaws and any other document promulgated by the Association. No Living Unit shall be leased or rented for less than thirty (30) days.

Section 9. Rights of Mortgage Holders, Insurers or Guarantors. The holder, insurer or guarantor of the mortgage on any Living Unit shall be entitled to timely written notice of:

(1) any sixty (60) day delinquency in the payment of assessments or charges owed by the owner of any Living Unit on which it holds the mortgage;

(2) a lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; and

(3) any proposed action that requires the consent of a specified percentage of Eligible Mortgage Holders.

To obtain this information, the mortgage holder, insurer or guarantor should send a written request to the Association, stating both its name and address, and the unit number or address of the Living Unit on which it has a mortgage. The responsibility of the Association to notify or seek approvals from any holder, insurer or guarantor of a mortgage on any Living Unit is expressly contingent upon any such mortgage holder, insurer or guarantor having registered on an annual basis, its name, address, telephone number, person to contact and type and extend of its interest in the Living Unit with the Association, in advance.

ARTICLE XI

INSURANCE

The Association shall obtain and continue in effect comprehensive public liability insurance insuring the Association, the Declarant, and the agents and employees of each, and the Owners and respective family members, guests and invitees of the Owners, against any liability incident to the ownership or use of the Common Facilities, commercial spaces, if any, and public ways, and including, if obtainable, a cross-liability endorsement insuring each insured against liability to each other insured, and a "severability of interest" endorsement, precluding the insurer from denying coverage to one Owner because of the negligence of other Owners, or the Association. The scope of the coverage must include all other coverage in the kinds and amounts commonly required by private institutional mortgage investors for projects similar in construction, location and use. Coverage shall be in the amount not less than One Million Dollars ($1,000,000.00) per occurance, for personal injury and/or property damage. The Association shall also purchase director's liability and errors and omissions insurance, and the Association shall purchase fidelity coverage, against dishonest acts by any directors, managers, trustees, employees or volunteers of the Association, who are responsible for handling funds belonging

to or administered by the Association. The fidelity bond insurance shall name the Association as the insured, and shall provide coverage in an amount not less than one and one-half (1-1/2) times the Association's estimated annual operating expenses and reserves. In connection with such coverage, an appropriate endorsement to the policy to cover any persons who serve without compensation shall be added if, the policy would not otherwise cover volunteers. The insurance policies required under this Article XI shall be acquired from carriers meeting the qualifications of the Federal National Mortgage Association. Insurance premiums shall be a common expense to be included in the Assessments levied by the Association. The acquisition of insurance by the Association shall be without prejudice to the right of any Owner to obtain additional individual insurance.

In the event of any conflict between the terms and provisions of this Amendment and the terms and provisions of the Declaration, the terms and provisions of this Amendment shall prevail. In the event of any conflict between the terms and provisions of this Declaration, as amended, and the terms and provisions of the Bylaws or Articles of Incorporaiton of the Association, the terms and provisions of the Declaration, as amended, shall prevail.

IN WITNESS WHEREOF, this Declaration is execution and shall be effective the 18th day of February, 1985, A.D.

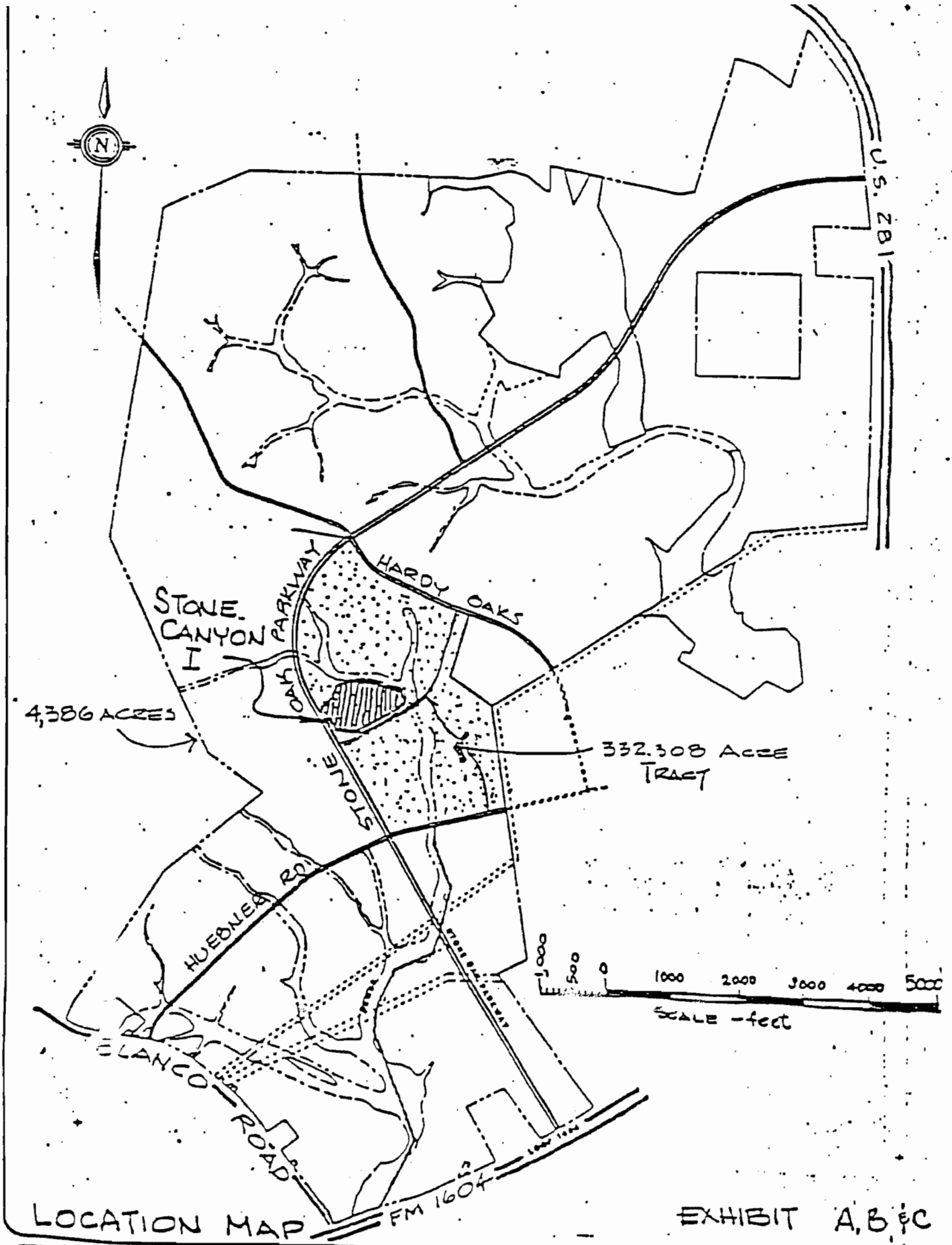
SITTERLE PROPERTIES

By: _____
Daniel S. Sitterle, Vice President

NATIONAL BANK OF COMMERCE, Trustee

By: _____

Title: Vice President



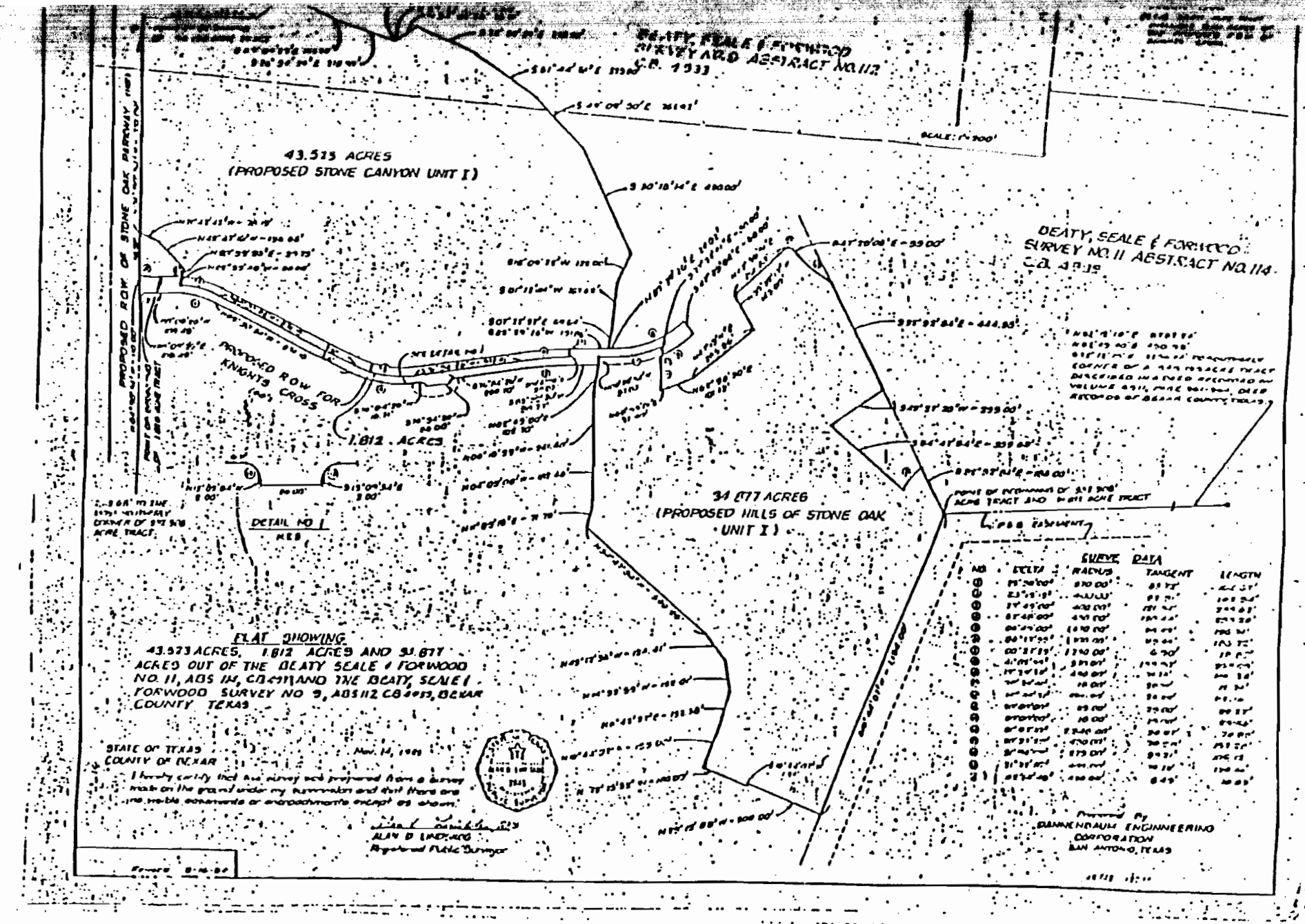
LOCATION MAP

EXHIBIT A, B & C

STONE OAK

a planned community for SAN ANTONIO, TEXAS

BALCOR / PARMAN


BEATY, SEALE & FORWOOD SURVEY NO. 9 ABSTRACT NO. 112
C.B. 4033
43.573 ACRES
(PROPOSED STONE CANYON UNIT I)
PROPOSED ROW OF STONE OAK PARKWAY (VAR. WIDTH)
PROPOSED ROW FOR KNIGHTS CROSS
1.812 ACRES
DETAIL NO 1
NTS
34.677 ACRES
(PROPOSED HILLS OF STONE OAK UNIT I)
BEATY, SEALE & FORWOOD SURVEY NO. 11 ABSTRACT NO. 114
C.B. 4015
SCALE: 1" = 200'
CURVE DATA
NO. DELTA RADIUS TANGENT LENGTH
FLAT SHOWING
43.573 ACRES, 1.812 ACRES AND 34.677 ACRES OUT OF THE BEATY SEALE & FORWOOD NO. 11, ABS 114, CB 4015 AND THE BEATY, SEALE & FORWOOD SURVEY NO 9, ABS 112 CB 4033, BEXAR COUNTY TEXAS
STATE OF TEXAS
COUNTY OF BEXAR
Nov. 11, 1985
I hereby certify that this survey was prepared from a survey made on the ground under my supervision and that there are no visible easements or encroachments except as shown.
ALAN D. LINDSAY
Registered Public Surveyor
Prepared By
BANNENBAUM ENGINEERING CORPORATION
SAN ANTONIO, TEXAS

F[illegible]D IN MY OFFICE
ROBERT D. GREEN
COUNTY CLERK BEXAR CO.

1985 FEB 19 P 2:38

STATE OF TEXAS)
COUNTY OF BEXAR)

I hereby certify that this instrument was FILED in File Number Sequence on the date and at the time stamped hereon by me; and was duly RECORDED, in the Official Public Records of Real Property of Bexar County, Texas on

FEB 20 1985

COUNTY CLERK BEXAR COUNTY, TEXAS

STATE OF TEXAS

COUNTY OF BEXAR

BEFORE ME, the undersigned authority, on this day personally appeared DANIEL S. SITTERLE of SITTERLE PROPERTIES, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, as the act and deed of the said SITTERLE PROPERTIES, and in capacity therein stated.

Carolyn A. Johnson
Notary Public in and for The State of Texas

My Commission expires:
6/25/88

STATE OF TEXAS

COUNTY OF BEXAR

BEFORE ME, the undersigned authority, on this day personally appeared Lamar R. Spencer of NATIONAL BANK OF COMMERCE, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, as the act and deed of the said NATIONAL BANK OF COMMERCE, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 19th day of February, 1985, A.D.

Emma M. Ybarra
Notary Public in and for
The State of Texas

EMMA M. YBARRA
Notary Public, State of Texas

My Commission Expires:
8-24-85

7/24/85-BM/cj

AMENDMENT TO DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS OF
STONE CANYON UNIT I
BEXAR COUNTY, TEXAS

999111

STATE OF TEXAS I

COUNTY OF BEXAR I

WHEREAS, on February 18, 1985, SITTERLE PROPERTIES (hereinafter referred to as "Declarant") executed that certain Declaration of Covenants, conditions and Restrictions of STONE CANYON UNIT I (herein after referred to as the "Declaration"); and

WHEREAS, said Declaration was filed in Volume 3329, Page 2051 of the Real Property Records of Bexar County Texas, on February 20, 1985, and

WHEREAS, pursuant to Article III, Section 2(c) of the Declaration, the Declarant, as owner of 90% or more of the lots located within the Property, hereby amends the Declaration as follows.

1. The following provision is hereby added as Section 2.12 subparagraph (3) to Article VIII of the Declaration;

> "2.12(3) No Satellite Television Dishes or similar signal receiving devices employed for the purpose of collecting and magnifying radio-electronic waves from space satellite facilities which emanate television programing shall be permitted within the Property, without the owner of said device having received, in advance, written permission of the Architectural Control Committee. Such permission can be acquired upon receipt by the Architectural Control Committee, of a sufficiently detailed plan depicting pertinent dimensions of the device, it's proposed location and the owner's plan for screening the device from view. Provisions of Section 3.14 of Article VIII shall apply."

2. The following provision is hereby added as Section 3.14 to Article VIII of the Declaration;

> "3.14 Approvals of the Architectural Control Committee, granted from time to time under terms of this Declaration for waivers to Declaration or as special permission for otherwise non-permitted facilities, shall be on a case-by-case basis and the granting in any one or more cases shall

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RETURN RECORDED DOCUMENT TO
SITTERLE PROPERTIES

not be deemed to establish a precedent for granting subsequent approvals on what may seem to be a similar situation. All decisions of the Architectural Control Committee shall be considered final."

3. In the event of any conflict between the terms and provisions of the Declaration and the terms and provisions this Amendment, those of this Amendment shall prevail. In the event of any conflict between the terms and provisions of the Declaration as amended and the terms and provisions of the Bylaws or Articles of Incorporation of the Association, the Declaration as amended shall prevail.

IN WITNESS WHEREOF, this Amendment is executed and shall be effective as of this 29th day of July 1985, A.D.

SITTERLE PROPERTIES

BY: Daniel S. Sitterle
Daniel S. Sitterle,
Vice President

NATIONAL BANK OF COMMERCE
SAN ANTONIO, Trustee

BY: James R. Spencer

Title: Vice President

STATE OF TEXAS I

COUNTY OF BEXAR I

BEFORE ME, the undersigned authority, on this day personally appeared Lamar R. Spencer/Vice President of NATIONAL BANK OF COMMERCE-SAN ANTONIO, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed, as the act and deed of the said National Bank of Commerce-San Antonio, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 29 day of July, 1985, A.D.

Patricia Ann Bryant
Notary Public in and for
The State of Texas

PATRICIA ANN BRYANT
Notary Public, State of Texas

My commission expires:
3/22/89

2

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7/24/85-BM/cj

STATE OF TEXAS I

COUNTY OF BEXAR I

BEFORE ME, the undersigned authority, on this day personally appeared DANIEL S. SITTERLE, VICE PRESIDENT of SITTERLE PROPERTIES, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, as the act and deed of the said SITTERLE PROPERTIES, and in capacity therein stated.

NOTARY PUBLIC STATE OF TEXAS

Carolyn A. Stasa
Notary Public in and for
The State of Texas

My commission expires:
5/22/88

FILED IN MY OFFICE
ROBERT D. GREEN
COUNTY CLERK BEXAR CO.
1985 JUL 29 P 4:38

JUL 30 1985

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AMENDMENT No. 2
TO DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS OF
STONE CANYON UNIT I
BEXAR COUNTY, TEXAS

STATE OF TEXAS I

COUNTY OF BEXAR I

WHEREAS, on February 18, 1985, SITTERLE PROPERTIES (hereinafter referred to as 'Declarant') executed that certain Declaration of Covenants, Conditions and Restrictions of STONE CANYON UNIT I (herein after referred to as the 'Declaration'); and

WHEREAS, said Declaration was filed in Volume 3329, Page 73 of the Real Property Records of Bexar County Texas, on February 20, 1985, and

WHEREAS, said Declaration was amended on July 29, 1985 and said amendment duly filed in Volume 3464, Page 634 of the Real Property Records of Bexar County, Texas, and

WHEREAS, pursuant to Article III, Section 2(c) of the Declaration, the Declarant, as owner of 90% or more of the lots located within the Property, hereby amends the Declaration as follows.

1. Article X, Section 4., Paragraph (1) is hereby revised to read as follows:

> 'Additional land within that certain 332.308 acre tract described in Volume 3110, Page 1900 of the Deed Records of Bexar County, Texas, and any land within one-thousand five hundred feet (1,500') of the area's boundary owned by the Declarant, may be annexed to the Properties by the Declarant without the consent of the lot owners, within ten (10) years of the date of this instrument.'

E/15/85 800113 $5.00 Y 1 230

2. In the event of any conflict between the terms and provisions of the Declaration and the terms and provisions this Amendment, those of this Amendment shall prevail. In the event of any conflict between the terms and provisions of the Declaration as amended and the terms and provisions of the Bylaws or Articles of Incorporation of the Association, the Declaration as amended shall prevail.

Stone Canyon #1

8/14/85-BMC:cs

IN WITNESS WHEREOF, this Amendment is executed and shall be effective as of this 14th day of August 1985, A.D.

SITTERLE PROPERTIES

BY: _____
Louis M. Norrell
Vice President

NATIONAL BANK OF COMMERCE
SAN ANTONIO, Trustee

BY: _____

Title: Vice President

STATE OF TEXAS I

COUNTY OF BEXAR I

BEFORE ME, the undersigned authority, on this day personally appeared Jim Parish of NATIONAL BANK OF COMMERCE-SAN ANTONIO, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed, as the act and deed of the said _____, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 14th day of August, 1985, A.D.

_____
Notary Public in and for
The State of Texas

My commission expires:
3/22/89

PATRICIA ANN BRYANT
Notary Public, State of Texas

STATE OF TEXAS I

COUNTY OF BEXAR I

BEFORE ME, the undersigned authority, on this day personally appeared LOUIS M. NORRELL, VICE PRESIDENT of SITTERLE PROPERTIES, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, as the act and deed of the said SITTERLE PROPERTIES, and in capacity therein stated.

_____
Notary Public in and for
The State of Texas

My commission expires:
5/25/88

PLEASE RETURN TO:
BRIAN MCDONOUGH
SITTERLE PROPERTIES
3520 N. FM 1604 E.
SAN ANTONIO, TX 78

10/17/85-BM/cj

AMENDMENT NO. 3 TO DECLARATION OF COVENANTS,
1048619 CONDITIONS AND RESTRICTIONS OF
STONE CANYON UNIT I
BEXAR COUNTY, TEXAS

STATE OF TEXAS X

COUNTY OF BEXAR X

WHEREAS, on February 18, 1985, SITTERLE PROPERTIES (hereinafter referred to as "Declarant") executed that certain Declaration of Covenants, Conditions and Restrictions of STONE CANYON UNIT I (hereinafter referred to as the "Declaration"); and

WHEREAS, said Declaration was filed in Volume 3329, Page 2051 of the Real Property Records of Bexar County Texas, on February 20, 1985, and

WHEREAS, pursuant to Article II~~I~~, Section 2(c) of the Declaration, the Declarant, as owner of 90% or more of the lots located within the Property, hereby amends the Declaration as follows.

1. The fifth sentence in Article VI, Section 3, is hereby amended to read:

"On and after January 1, 1988, the maximum annual assessment for improved Lots and maximum annual assessment for unimproved Lots may be increased by vote of the Members as provided in Article VI, Section 5 hereof.

2. Article X, Section 7, is hereby amended to read:

The Declarant shall have the right to enter into any and all professional management contracts, prior to the date that control of the project is transferred to the association, so long as such contracts do not exceed one year in duration. Such contracts shall provide to the association a right to terminate, without cause, any time after the transfer of control, without payment of any penalty or advance notice of more than thirty (30) days.

3. The following Section 10 is hereby added to Article X of the Declaration:

Section 10. FHA/VA Approval. As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: Annexation of additional properties, dedication of Common Area, and amendment of this Declaration of Covenants, Conditions and Restrictions.

10/24/85 80045 $5.00 Y 1 230

4. The last paragraph of Article IV is hereby amended to read:

Notwithstanding anything to the contrary contained herein, the Declarant shall transfer control of the Association to the owners no later than four (4) months after seventy-five percent (75%) of the living units subject to the jurisdiction of the Association have been conveyed to home/lot owners other than the Declarant.

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5. In the event of any conflict between the terms and provisions of the Declaration and the terms and provisions of this Amendment, those of this Amendment shall prevail. In the event of any conflict between the terms and provisions of the Declaration as amended and the terms and provisions of the Bylaws or Articles of Incorporation of the Association, the Declaration as amended shall prevail.

STONE CANYON UT #1

RETURN RECORDED DOCUMENT
SITTERLE PROPERTIES
C/O STEVE RYDER
3520 N. FM 1604 E.

10/17/85-BM/cj

IN WITNESS WHEREOF, this Amendment is executed and shall be effective as of this 23rd day of OCTOBER 1985, A.D.

SITTERLE PROPERTIES

BY: _____
Louis M. Norrell,
Vice President

NATIONAL BANK OF COMMERCE
SAN ANTONIO, Trustee

BY: _____
MDL

STATE OF TEXAS I

COUNTY OF BEXAR I

BEFORE ME, the undersigned authority, on this day personally appeared Lamar R. Spencer, Vice President of NATIONAL BANK OF COMMERCE-SAN ANTONIO, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed, as the act and deed of the said NATIONAL BANK OF COMMERCE-SAN ANTONIO, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 23rd day of October, 1985, A.D.

_____
Notary Public in and for
The State of Texas

My commission expires:
10-26-88

STATE OF TEXAS I

COUNTY OF BEXAR I

BEFORE ME, the undersigned authority, on this day personally appeared Louis M. Norrell, Vice President of SITTERLE PROPERTIES, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, as the act and deed of the said SITTERLE PROPERTIES, and in the capacity therein stated.

_____
Notary Public in and for
The State of Texas

My commission expires:
5/25/88