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DECLARATION

OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

THE GLEN AT STONE OAK - UNIT 2

BEXAR COUNTY, TEXAS

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STATE OF TEXAS

COUNTY OF BEXAR

THIS DECLARATION, made on the date hereinafter set forth by Lumbermen's Investment Corporation, a Delaware corporation duly authorized to transact business in the State of Texas, 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 (and may at times also be called the "***Existing Property***"), located in San Antonio, Bexar County, Texas, and is more particularly described as follows:

Lots 5 through 18, inclusive, Block 1;

Lots 19 through 24, inclusive, Block 2;

Lots 10 through 42, inclusive, Block 7;

Lots 10 through 17, inclusive, Block 8;

All being in THE GLEN AT STONE OAK, UNIT 2, as recorded in Volume 9547, Page 104, of the Deed and Plat 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 and the Association (as identified hereafter) have entered into an Agreement dated as of February 28, 1998, by which the owners of Lots in the Properties shall become members in the Association, entitled to the benefits of such membership and subject to the obligations of such membership;

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 THE GLEN AT STONE OAK, UNIT 2;

WHEREAS, Declarant desires to insure the preservation of the values and amenities in said community and for the maintenance of the 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 have the property annexed into a non-profit neighborhood association 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

NOW THEREFORE, Declarant states 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 for such violation.

ARTICLE I.
DEFINITIONS

Section 1. The following words when used in the 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 homeowners within the "***Properties***", referred to and described herein, and such other homeowners 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 Supplementary Declaration under the provisions of Article III, Section 2 hereof.

(d) "***Common Facilities***" and "***Common Areas***" may be used interchangeably and shall both mean and refer to all property leased, owned, or maintained by 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, greenspace or floodplains, jogging trails, walls, and other similar or appurtenant improvements. The entry area into the Property shall be a Common Area except for the obligation of maintenance, which obligation shall be that of the Declarant until December 31, 2001, when the entry area shall be a Common Area for all purposes."

(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 right-of-way.

(f) "***Subdivision Plat***" shall mean and refer to the map or plat of THE GLEN AT STONE OAK, UNIT 2, filed for record in Volume 9547, Page, 104, Deed and Plat 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.

(h) "***Improved Lot***" shall be deemed to be an "***improved lot***" when conveyed by Declarant, whether or not construction of a Living Unit thereon has commenced or been completed.

(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 Lumbermen's Investment Corporation, 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 out in this Declaration, the Stone Oak Design Guidelines and the design guidelines adopted 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 4386 acres, more or less that has been subjected to a comprehensive land plan by Stone Oak, Inc., a Texas corporation.

(n) "***Master Plan***" shall mean and refer to that document and appurtenant exhibits, - appendices and addendum's thereto that set forth the plan for development of the properties within Stone Oak, 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.

(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 and a request to be designated an Eligible Mortgage holder and notified as required hereinafter in Article X, Section 8.

ARTICLE II.
RESERVATIONS, EXCEPTIONS, DEDICATIONS, SIDEWALKS, LAND USE CHANGES

Section 1. Dedication by Plat. 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 Waived. 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. Additionally, 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 her own expense, a four foot (4') wide concrete sidewalk, 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. Declarant shall construct a masonry column steel fence of design approved by SOPPC (such approval not to be unreasonably withheld, conditioned or delayed) between the Lots and the Hardy Oaks right-of-way. SOCOMA shall maintain and keep such fence in both a good, stable and attractive condition, in conformance with the approved design.

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.

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 the real property described as the Existing Property described on the first page hereof.

Section 2. Additions to Existing Property. Additional lands may be annexed to the Properties and become subject to this Declaration with consent of two-thirds (2/3) vote of the votes cast by the Members. Any additions, authorized hereunder, may 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 covenants and restrictions of the 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 consistent with the overall subdivision concept. In no event, however, shall any such Amended or Supplementary Declaration revoke, modify or add to the covenants established by this Declaration as they are applicable to the existing Property.

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 shall be a Member of the Association and each Lot shall be subject to assessment by 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. Membership shall commence only when the membership has been fully paid for in accordance with the Agreement between Declarant and the Association.

Section 2. Voting Rights. The Association has one class of voting membership being called "***Class A Members***" Class A Members shall be all those Owners as defined in Section 1. Class A Members shall be entitled to one vote for each Lot in which they hold the interest required for membership. When 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.

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 to the Association the legal title or leasehold to any Common Facilities in the Subdivision at such time as the land has been duly subdivided and the plat of said subdivision has been duly recorded. Notwithstanding any provision to the contrary herein, the Declarant hereby reserves, 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, 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 agency, authority, or utility for such purposes and subject to such conditions as may 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 Facilities. The Association shall maintain the Common Facilities (but the entry area of the Subdivision shall be maintained by the Declarant until December 31, 2001).

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 covenant and agree to pay to the Association:

(a) annual assessment charges and

(b) special assessments charges for capital improvements, such assessments to be fixed, established, and collected, from time to time, as hereinafter provided. The annual assessment and any 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, security, 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.

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. For the year 2000, the assessment for improved Lots shall not exceed $288.00 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, 2001, 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. 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, 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 person 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 the periods therein specified, the maximum annual assessment may be adjusted by majority vote of the Board of Directors, but shall not be increased by more than ten percent (10%) above 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 Sections 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 Unimproved Lots on the later of January 1, 2000 or the first day of the next calendar quarter (January, April, July, October) following the recording of the Subdivision Plat. The annual assessment for all Improved Lots shall commence on the date a Lot becomes an Improved Lot as provided herein. 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, devises, personal representatives and assigns. If the assessment is not paid within thirty (30) days after the delinquency date, the assessment shall bear at simple

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:

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

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. 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.

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 (a) preventing unusual, radical, uncommon, bizarre, or incompatible home designs, (b) maintaining a harmony of external design, and (c) 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 Members. The Committee shall be comprised of at least three members. The initial committee members shall be Robert A. Reeh, John Pierret and the President of the Board of Directors of SOCOMA, Inc. In the event a vacancy occurs in the seat initially occupied by Robert A. Reeh or John Pierret, Declarant shall appoint a successor to those seats. If the Declarant fails to appoint a member(s) to the seats on the committee initially appointed by it, the Board of Directors of SOCOMA, 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. The Declarant may relinquish its right to make future appointments under this provision by delivering a written notice to that effect to the Association. Upon the sale of the last Lot in the Subdivision by Declarant, all functions of the Committee shall automatically be transferred to the Board of Directors of SOCOMA, Inc.

Section 3. Approvals. The Committee shall be the sole authority for determining whether proposed structures (or modifications/additions thereto) comply with applicable covenants 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 of the Architectural Control Committee, whether or not specifically addressed 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 (provided such submission is supported by certified mail receipt or a receipt signed by a member of 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, (provided such submission is supported by certified mail receipt or a receipt signed by a member of the Committee), 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. Use Restrictions. The Properties shall be used only for the development of single family detached 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 retail, 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 3. 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 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 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 4. 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 on the Lots on which the sign is placed for sale or rent may be installed and maintained, and except that one sign used by a builder to advertise a residence or Lot for sale during the construction and sales period may be installed and maintained during the sales period. While the express written permission of the Architectural Control Committee shall not be required before the installation of either kind of signs provided for herein, in the event that the Architectural Control Committee should be of the opinion that any sign is lacking in quality or professionalism, the Committee may require the removal of such sign and any replacement sign may be installed only after it is approved in advance by the committee.

Section 5. 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 and provided further that such common household pets shall, at all times, except when they are confined within the boundaries of a private single-family residence or Lot upon which same is located, be restrained or controlled by a leash, rope, or similar restraint or a basket, cage, or other container.

Section 6. Accumulation of Trash and Rubbish. Except as provided in Section 10 of this Article, no trash, rubbish, garbage, manure, putracible 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 7. 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 so as not be visible from any other Lot, Common Area or public right-of-way; 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 8. 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.

Section 9. No Nuisances. No nuisance shall ever be allowed, caused or suffered to remain upon any portion of the Properties, nor shall an owner's, resident's or other party's use of the Properties, or any portion 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 10.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, alterations and/or placement of such items.

Section 11.Necessary Temporary Facilities. Notwithstanding the other provision of this Article, Declarant reserves unto itself the exclusive right to erect, place, and maintain temporary facilities in or upon any portions of the Properties as Declarant, in its sole discretion, may determine to be necessary for the marketing of Lots and the construction of homes thereon. . 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 12.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 the period of construction for the convenience of the workers performing such works.

Section 13.Exposed Antennas and Athletic Equipment.

(a) Except for a satellite dish antenna which does not exceed a maximum diameter of 18 inches, no exterior antenna shall be permitted on any dwelling without the prior written approval of the Committee. 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. In the event that any antenna should be permitted, it shall be located so as to not be visible from the front of the Lot on which it is situated (or the front and the side adjacent to a street in the case of corner lots).

(b) No athletic or sports equipment: i.e., basketball backboard, goal posts, net standards, etc., shall be permanently affixed to the street face of the dwelling nor may they be installed or placed on the part of the Lot between the building and the street.

Section 14.Maintenance of Yards, etc. The Owners of all Lots shall at all times keep woods, shrubbery and trees thereon cut in a sanitary, healthful, and attractive manner; provided, however, that no trees 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 15.Fences. Except those fences/walls constructed in accordance with 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 six foot (6') high, with 1" x 6" boards, suitably arranged to affect full privacy. The "***solid***" arrangement of fence boards will be favored, but "***shadowbox***" designs will be allowed with the prior written approval of the Architectural Control Committee, but only if constructed of 1" x 6" boards and having a full six feet in height. All "***solid***" installations of fences shall be installed with the smooth side facing the street or public right-of-way. No fence, wall or hedge may be built until and unless 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 enforced and applicable.

Section 16.New Construction Only. Any and all structures, fences, walls, recreational facilities or other improvements erected, altered or placed on any portion of the Properties shall be of new construction and shall be built in place, and except as provided in Section 11 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 17.Dwelling Cost, Quality and Size. No dwelling shall be permitted on any Lot in these subdivisions having a market value of less than $170,000.00 (including the value of the subject Lot) 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 2,200 contiguous square feet. See Section 30 for garage requirements.

Section 18.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. Notwithstanding the foregoing, the Architectural Control Committee may permit a structure to exceed 25 feet in height but not to exceed 30 feet in height in order to accommodate the design and pitch of a roof appropriate for the architecture of a particular house. All applicable ordinances, regulations, restrictions and statutes with respect to the maximum height or building and structures shall, at all times, be complied with.

Section 19.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 rated fire wall as required by all applicable codes, ordinances, regulations and/or statutes, including, but not limited to, the codes and ordinances of the City of San Antonio, Texas.

Section 20.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 21.Single Family Detached Residential Lots. All buildings on any Lot shall be located at least twenty-five feet (25') from the front lot line and the front of such buildings shall be set back no further than forty-five feet (45') from the front lot line. In addition, all buildings on any Lot must be located at least five feet (5') from an interior or side lot line. All dwellings shall be located at least twenty-five feet (25') from the rear lot line; however, dwellings on lots facing cul-de-sacs, elbow corners, or other unusually shaped lots (found to be such by the Architectural Control Committee) shall be setback at least twelve feet (12') from the rear lot line. Side loading garages attached to dwellings shall be set back from the side or interior lot line at least seventeen feet (17') measured along the center axis of the driveway. All outbuildings (including but not limited to permitted sheds, greenhouses and detached garages), shall be located at least twelve feet (12') from the rear lot line. No outbuilding shall be constructed or installed on a Lot unless and until the plans and specifications therefor have been approved by the Architectural Control Committee. 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 150 square feet of enclosed area. Variations to the setbacks set forth herein or as set forth in the Master Plan may be granted by written waiver by the Architectural Control Committee and SOACC.

Section 22.Masonry. The exterior walls of the first floor of the main residence building constructed on any lot shall be composed of 100% 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. For two story houses, the exterior walls of the first floor of the main residence and the front walls of the second floor of the main residence shall be composed of 100% masonry or masonry veneer. In addition, the masonry or masonry veneer of the front wall of two story houses shall "***wrap***" or extend at least twelve feet (12") back along the side walls toward the rear of the house on each side. With respect to two story houses on corner lots, the exterior walls of the first floor of the main residence, the exterior front walls and the exterior walls facing on the side street shall be composed of 100% masonry or masonry veneer. 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. "However, masonry and/or masonry veneer shall not include any product, regardless of composition, which is manufactured to have a wood or non-masonry appearance (e.g. hardiboard), unless the Architectural Committee approves or has approved plans and specifications on which use of such a product is permitted in accordance with the condition stated in the following sentence." 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.

Section 23.Roofing. All roof materials shall be (a) metal, left natural or painted a color approved by the Architectural Control Committee, using standing or battened seams, or (b) ceramic or concrete tile, or (c) "***dimensional***" composition shingle (240 lb minimum) of a color approved by the Architectural Control Committee. Only one type of roof material may be used on any structure.

CLARIFICATION OF ARTICLE VII, SECTION 21.
SINGLE FAMILY DETACHED RESIDENTIAL LOTS

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.**

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.

Section 24.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 Architectural Control Committee.

Section 25.Insulation. All ceilings, and exterior walls, except those in garages, shall have no less than the minimum insulation setforth in HUD (FHA) minimum Property Standards, current edition.

Section 26.Siding. Subject to the limitations imposed by Section 22, cement composite siding like the products called "***Hardiboard***" may be used, but natural wood or wood composite siding that is not a concrete composite may not be used in the subdivision. All siding materials shall be installed so that any grooves or similar markings are horizontal. All siding colors must be approved by the Architectural Control Committee.

Section 27.Chimneys. Chimneys may be either masonry or "***hardiboard***"-type concrete composite siding. If a chimney is constructed of or sheathed in an approved siding product, the siding shall be lapped and shall have the groves or similar markings oriented horizontally. All chimneys shall have hoods installed and maintained.

Section 28.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 29.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 30.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.

Section 31.Limitation on Adjacent Two-Story Houses. There shall not be located in the subdivision more than three contiguous two-story houses. The Committee shall not have the power or authority to waive or grant exceptions to this provision.

ARTICLE IX.
EDWARDS RECHARGE ZONE

Section 1. Enforcement. The geologic and geographic area upon which the property lies, as 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 "***TWQB Order***"). The requirements of this order and any subsequent amendments or deletions are herewith made a part of these restrictions, 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 Lot Owners are noted as follows:

(a) Septic tanks are prohibited.

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

(c) The operation of the system will be regularly tested and inspected according to the TWQB Order. Corrective actions will be taken when found necessary.

(d) All Improved Lots shall be provided with a minimum of four (4") inches of soil for turf or lawn areas, and prior to initial occupancy of each house the front and side yards thereof shall be fully sodded with grass and landscape improvements shall be installed which comply with the standards therefor adopted by the Architectural Control Committee.

(e) Highly soluble nitrate fertilizers will not be used. All Lot Owners are duly cautioned as to the use of lawn fertilizers.

(f) 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.

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

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

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

(j) The U.S.G.S. carries out the functions of monitoring surface run-off. The records are available as required by the TWQB Order.

(k) 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 Owner, shall 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 these covenants or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full 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. 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 1000 Knights Cross, San Antonio Texas,78258, during normal business hours.

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 5. 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 6. Management 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 7. 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 8. 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:

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

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

(c) 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 extent 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 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 ($1,000,000.00) per occurrence, 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 Declaration, as amended, and the terms and provisions of the Bylaws or Articles of Incorporation of the Association, the terms and provisions of the Declaration, as amended, shall prevail.

IN WITNESS WHEREOF, this Declaration is executed and shall be effective the 30 day of May, 2000.

LUMBERMEN'S INVESTMENT CORPORATION

By: _____
Robert M. Mann, Senior Vice President

STATE OF TEXAS

COUNTY OF TRAVIS

The foregoing instrument was acknowledged before me by Robert M. Mann, Senior Vice President of Lumbermen's Investment Corporation, on the 31st day of May, 2000, on behalf of such corporation.

Notary Public, State of Texas

BRIAN C. RIDER
NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS
MY COMMISSION EXPIRES FEBRUARY 28, 2001

Printed Name: _____

Commission Expires: 2/28/01

AFTER RECORDING, RETURN TO:

Jackson Walker L.L.P.
100 Congress Avenue, Suite 100
Austin, Texas 78701
Attn: Jerry Webberman